NEW ISSUE - BOOK ENTRY ONLY **RATING: See "RATINGS" herein**

In the opinion of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel, based on certifications of the Commission (as defined herein) and assuming continuing compliance with its covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and assuming continuing compliance by the Commission with certain covenants described herein, and subject to certain provisions of the Code *which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the 2017 Bonds (as herein defined), interest received by a holder of the 2017 Bonds will be excludable from gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code, for purposes of computing the federal alternative minimum tax; however, interest on the 2017 Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the 2017 Bonds in "adjusted current earnings". No opinion is expressed regarding other federal tax consequences arising with respect to the 2017 Bonds. Further, in the opinion of Bond Counsel, interest on the 2017 Bonds and any gain on the sale thereof is not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

BURLINGTON COUNTY BRIDGE COMMISSION
$47,445,000*
COUNTY GUARANTEED BRIDGE SYSTEM REVENUE BONDS, SERIES 2017

Dated: Date of Delivery **Maturing: October 1, as shown on inside cover**

The $47,445,000* aggregate principal amount of County Guaranteed Bridge System Revenue Bonds, Series 2017 (the "2017 Bonds") of the Burlington County Bridge Commission, New Jersey (the "Commission"), shall be issued in fully registered book-entry-only form without coupons in denominations of $5,000 or any integral multiple thereof, shall be issued in the form of one certificate for each maturity and shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as securities depository for the 2017 Bonds. So long as Cede & Co. is the registered owner of the 2017 Bonds, payments of principal of and interest on the 2017 Bonds will be made by U.S. Bank National Association, Morristown, New Jersey (the "Trustee" and the "Paying Agent") directly to DTC or its nominee, Cede & Co., which will remit such payments to the Direct Participants (as defined herein) which will, in turn, remit such payments to the Indirect Participants (as defined herein) of the 2017 Bonds. Beneficial Owners (as defined herein) will not receive certificates representing their ownership interest in the 2017 Bonds purchased. The interest on the 2017 Bonds will be payable to each owner thereof in whose name the 2017 Bond is registered upon the registration books maintained by the Trustee, at its principal corporate trust office in Morristown, New Jersey, as of the close of business on the fifteenth (15th) day (whether or not a Business Day) next preceding any Interest Payment Date (the "Record Date").

The 2017 Bonds are issued pursuant to the Self Liquidating Bridges Act of the State of New Jersey, constituting Article 2 of Chapter 17 of the Laws of New Jersey of 1934, as amended and supplemented (the "Act"), a resolution of the Commission duly adopted on April 27, 1993 entitled "Bridge System Revenue Bond Resolution", as amended and supplemented in 1993, 1997, 2002, 2012 and on July 19, 2017 (collectively, the "Senior Bond Resolution"), and as further amended and supplemented by a subordinated note resolution of the Commission duly adopted on October 12, 2015 (the "Original Subordinated Note Resolution"), and a certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising powers delegated by the Senior Bond Resolution (the "Series Certificate" and together with the Senior Bond Resolution, the "Resolution").

The 2017 Bonds are being issued which, together with other available Commission funds, will be used for the purpose of (i) currently refunding the outstanding County Guaranteed Bridge System Subordinated Revenue Notes, Series 2016 of like principal amount maturing on November 16, 2017, 2016 (the "Prior Notes"), which refunded notes originally issued to provide funds for the costs of various capital improvements to the Commission's Bridge System (as defined in the Bond Resolution); (ii) making a deposit into the Debt Service Reserve Fund equal to Debt Service Reserve Fund Requirement as set forth in the Resolution, and (iii) paying costs and expenses associated with the issuance of the 2017 Bonds (collectively, the "Project"). The 2017 Bonds will be special obligations of the Commission and will be payable solely from and secured by the funds and amounts deposited therein and pledged therefor under the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, as more fully described herein.

The 2017 Bonds are further secured by a full, irrevocable and unconditional guarantee (the "County Guaranty") from the County of Burlington, State of New Jersey (the "County") to pay, when due, the principal of and interest on the 2017 Bonds. The County has the power and the obligation to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount for the payment of its obligations under the County Guaranty. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2017 BONDS" herein.

The 2017 Bonds are subject to redemption prior to their maturities. See "THE 2017 BONDS- Redemption of 2017 Bonds" herein.

THE 2017 BONDS SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE COMMISSION AND, AS APPLICABLE UNDER THE COUNTY GUARANTY, THE COUNTY, AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE COMMISSION AND, AS APPLICABLE UNDER THE COUNTY GUARANTY, THE COUNTY, EITHER LEGAL, MORAL, OR OTHERWISE, OR BE OR CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN, AS APPLICABLE UNDER THE COUNTY GUARANTY, THE COUNTY. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE COMMISSION AND, THE COUNTY, TO THE EXTENT OF THE COUNTY GUARANTY, IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE 2017 BONDS AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, EXCEPT THE COUNTY, TO THE EXTENT OF THE COUNTY GUARANTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE 2017 BONDS BUT ALL NOTES AND BONDS SHALL BE PAYABLE SOLELY FROM THE RESPECTIVE REVENUES OR FUNDS PLEDGED OR AVAILABLE FOR THEIR PAYMENT, INCLUDING ANY FUNDS AVAILABLE UNDER THE COUNTY GUARANTY, AS AUTHORIZED IN THE ACT. THE COMMISSION HAS NO TAXING POWER.

The 2017 Bonds are offered when, as and if issued, and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of Capehart & Scatchard, P.A., Trenton, New Jersey, and certain other conditions described herein. Certain legal matters concerning the Commission will be passed on for the Commission by Capehart & Scatchard, P.A., Trenton, New Jersey, General Counsel for the Commission. Certain legal matters concerning the obligations of the County pursuant to the County Guaranty will be passed on for the County by Parker McCay P.A., Mount Laurel, New Jersey, County Bond Counsel, and Kendall J. Collins, Esquire, County Solicitor, and for the Underwriter by its counsel McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. Delivery is anticipated to be at the offices of the Commission's Bond Counsel, Capehart & Scatchard, P.A., Trenton, New Jersey or at such other place as agreed to with the Underwriter on or about November 15, 2017.

NW CAPITAL MARKETS INC.

Dated: October __, 2017

* Preliminary, subject to change.

MATURITY SCHEDULE

BURLINGTON COUNTY BRIDGE COMMISSION
$47,445,000[**]
COUNTY GUARANTEED BRIDGE SYSTEM REVENUE BONDS, SERIES 2017

Maturity Date (October 1)	Principal Amount[**]	Interest Rate	Yield	CUSIP[*]
2019	1,780,000			
2020	1,765,000			
2021	1,535,000			
2022	1,365,000			
2023	2,510,000			
2024	2,520,000			
2025	2,425,000			
2026	2,455,000			
2027	4,325,000			
2028	4,205,000			
2029	4,060,000			
2030	3,905,000			
2031	3,750,000			
2032	3,275,000			

$7,570,000[**] _____% Term Bond due October , 2037 Priced at ________ to Yield ____%.
CUSIP*

[**]Preliminary, subject to change.

[*]A registered trademark of the American Bankers Association. CUSIP data herein are provided by S&P Global Ratings' CUSIP Service Bureau, a division of Standard & Poor's Financial Services LLC. The CUSIP numbers listed above are being provided solely for the convenience of Holders of the 2017 Bonds only at the time of issuance of the 2017 Bonds and the Commission does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the 2017 Bonds is subject to being changed after the issuance of the 2017 Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2017 Bonds.

[*] Preliminary, subject to change.

BURLINGTON COUNTY BRIDGE COMMISSION
1300 Route 73 North
Palmyra, New Jersey 08065

COMMISSIONERS

John B. Comegno, II, Chairman
James D. Fattorini, Vice Chairman
Troy E. Singleton, Commissioner

EXECUTIVE DIRECTOR

John D. Jeffers

TREASURER/CFO

Christine J. (Nociti) Cardi, J.D., C.P.A.

SOLICITOR

Anthony T. Drollas, Jr., Esquire
Capehart & Scatchard, P.A.
Trenton, New Jersey

BOND COUNSEL

Thomas J. Hastie, Esquire
Capehart & Scatchard, P.A.
Trenton, New Jersey

INDEPENDENT AUDITOR

Henry J. Ludwigsen, CPA, RMA, CITP
Bowman & Company LLP
Voorhees, New Jersey

FINANCIAL ADVISOR

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

COUNTY OF BURLINGTON, NEW JERSEY
49 Rancocas Road
Mount Holly, New Jersey 08060-6000

BOARD OF CHOSEN FREEHOLDERS

Bruce D. Garganio, Director
Kate Gibbs, Deputy Director
Mary Ann O'Brien, Freeholder
Ryan Peters, Freeholder
Latham Tiver, Freeholder

COUNTY OFFICIALS

Eve A. Cullinan, County Administrator
Gina Wheatley, Clerk of the Board
Edward J. Troy, Treasurer
Marc Krassan, Chief Financial Officer
Kendall J. Collins, Esquire, County Solicitor

COUNTY BOND COUNSEL

Parker McCay P.A.
Mount Laurel, New Jersey

INDEPENDENT AUDITOR

Bowman & Company LLP
Voorhees, New Jersey

No dealer, broker, salesman or other person has been authorized by the Commission or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2017 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information which is set forth herein has been provided by the Commission and by other sources which are believed to be reliable by the Commission, but the information provided from sources other than itself is not guaranteed as to accuracy or completeness by the Commission. Certain financial, economic and demographic information concerning the County is contained in Appendix A and Appendix B to this Official Statement. Such information has been furnished by the County. The Commission has not confirmed the accuracy or completeness of information relating to the County, and the Commission disclaims any responsibility for the accuracy or completeness thereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Any statements which are contained in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the 2017 Bonds. This Official Statement is submitted in connection with the sale of the 2017 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The summaries of and references to all documents, statutes, reports, and other instruments which are referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to such document, statute, report or instrument. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission or the County since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE 2017 BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2017 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE 2017 BONDS TO CERTAIN DEALERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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OFFICIAL STATEMENT

THE BURLINGTON COUNTY BRIDGE COMMISSION
Relating to its

$47,445,000*
County Guaranteed Bridge System Revenue Bonds, Series 2017

INTRODUCTION

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by the Burlington County Bridge Commission (the "Commission"), a public body corporate and politic of the State of New Jersey (the "State"), to provide certain information relating to the Commission, its services and programs, the County of Burlington, State of New Jersey (the "County") and the $47,445,000* aggregate principal amount of County Guaranteed Bridge System Revenue Bonds, Series 2017 (the "2017 Bonds") to be issued by the Commission. The 2017 Bonds are issued pursuant to the Self Liquidating Bridges Act of the State of New Jersey, constituting Article 2 of Chapter 17 of the Laws of New Jersey of 1934, as amended and supplemented (the "Act"), a resolution of the Commission duly adopted on April 27, 1993 entitled "Bridge System Revenue Bond Resolution", as amended and supplemented in 1993, 1997, 2002, 2012 and on July 19, 2017 (collectively, the "Senior Bond Resolution"), and a certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising powers delegated by the Senior Bond Resolution (the "Series Certificate" and together with the Senior Bond Resolution, the "Resolution"). The 2017 Bonds are being issued to (i) currently refund the outstanding County Guaranteed Bridge System Subordinated Revenue Notes, Series 2016 of like principal amount maturing on November 16, 2017, (the "Prior Notes"), which refunded notes originally issued to provide funds for the costs of various capital improvements to the Commission's Bridge System (as defined in the Bond Resolution); (ii) make a deposit into the Debt Service Reserve Fund equal to Debt Service Reserve Fund Requirement as set forth in the Resolution, and (iii) pay costs and expenses associated with the issuance of the 2017 Bonds (collectively, the "Project"). See "PLAN OF FINANCING" herein. U.S. Bank National Association, Morristown, New Jersey has been appointed to serve as trustee, paying agent and registrar for the 2017 Bonds (the "Trustee," "Paying Agent" and "Registrar").

The 2017 Bonds constitute special obligations of the Commission, payable solely from the sources pledged under the Resolution. Under the terms of the Resolution, the Commission has pledged the Construction Fund, the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Reserve Maintenance Fund and all amounts on deposit in any such Funds to the payment of the principal, redemption price of, and interest on the Bonds, subject only to the provisions of the Resolution permitting the application thereof for the purpose and on the terms and conditions set forth in the Resolution. The Resolution also includes several covenants of the Commission for the benefit of the owners of the 2017 Bonds including the covenant to fix, charge and collect tolls so that Revenues (as defined in the Resolution) will be sufficient to pay Operating Expenses (as defined in the Resolution) and Aggregate Debt Service (as defined in the Resolution) in each Fiscal Year. The timely payment of the principal of and

* Preliminary, subject to change.

interest on the Bonds has been unconditionally and irrevocably guaranteed by the County as described herein.

The 2017 Bonds are further secured by a full, irrevocable and unconditional guarantee (the "County Guaranty") from the County of Burlington, State of New Jersey (the "County") to pay, when due, the principal of and interest on the 2017 Bonds. The County has the power and the obligation to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount for the payment of its obligations under the County Guaranty. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2017 BONDS" herein.

THE 2017 BONDS ARE SPECIAL OBLIGATIONS OF THE COMMISSION AS DESCRIBED HEREIN. THE 2017 BONDS SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE COMMISSION AND, AS APPLICABLE UNDER THE COUNTY GUARANTY, THE COUNTY, AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE COMMISSION AND, AS APPLICABLE UNDER THE COUNTY GUARANTY, THE COUNTY, EITHER LEGAL, MORAL, OR OTHERWISE, OR BE OR CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN, AS APPLICABLE UNDER THE COUNTY GUARANTY, THE COUNTY. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE COMMISSION AND, THE COUNTY, TO THE EXTENT OF THE COUNTY GUARANTY, IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE 2017 BONDS AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, EXCEPT THE COUNTY, TO THE EXTENT OF THE COUNTY GUARANTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE 2017 BONDS BUT ALL NOTES AND BONDS SHALL BE PAYABLE SOLELY FROM THE RESPECTIVE REVENUES OR FUNDS PLEDGED OR AVAILABLE FOR THEIR PAYMENT AS AUTHORIZED IN THE ACT. THE COMMISSION HAS NO TAXING POWER.

Copies of the Senior Bond Resolution, the Guaranty Agreement (as defined herein) and the County Guaranty (as defined herein) are on file at the offices of the Commission in Palmyra, New Jersey and at the principal corporate trust office of the Trustee in Morristown, New Jersey. Reference is made to such documents for the provisions relating to, among other things, the terms of and the security for the 2017 Bonds, the custody and application of the proceeds of the 2017 Bonds, the rights and remedies of the holders of the 2017 Bonds, and the rights, duties and obligations of the Commission, the County and the Trustee.

There follows in this Official Statement brief descriptions of the 2017 Bonds, the Resolution, the Guaranty Agreement, the County Guaranty, the Commission and the County. Certain demographic and financial information relating to the County is attached to this Official Statement as Appendix A. This description of the County has been furnished by the County, and neither the Commission nor the Underwriter has confirmed the accuracy or completeness of information relating to the County, and the Commission and the Underwriter disclaim any responsibility for the accuracy or completeness thereof. Capitalized words and terms which are used herein, which are not ordinarily capitalized and which are not otherwise defined herein, shall have the meanings which are assigned to such words and terms in the Resolution. The summaries of and references to all documents, statutes, reports, and other instruments which are referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to such document, statute, report or instrument.

THE 2017 BONDS

The following is a summary of certain provisions of the Resolution and the 2017 Bonds. Reference is made to the Resolution and to the 2017 Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

General Description, Denominations and Place of Payment

The 2017 Bonds will be issued in fully registered book-entry-only form in denominations of $5,000 or any integral multiple thereof. The 2017 Bonds shall be dated and bear interest from the date of delivery, payable semi-annually thereafter on April 1 and October 1 of each year (or, if any such date is a not a Business Day, on the next succeeding Business Day), commencing April 1, 2018 (each an "Interest Payment Date"), at the respective rates per annum and will mature as set forth on the inside front cover page of this Official Statement.

The interest on the 2017 Bonds will be payable to each owner thereof in whose name the 2017 Bond is registered upon the registration books maintained by the Trustee, at its principal corporate trust office in Morristown, New Jersey, as of the close of business on the fifteenth (15th) day (whether or not a Business Day) next preceding any Interest Payment Date.

The 2017 Bonds will be issued as fully registered book-entry bonds, and registered in the name of Cede & Co. ("Cede"), as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2017 Bonds under its book-entry-only system (the "DTC Book-Entry-Only System"). An individual purchaser may purchase a 2017 Bond in book-entry-only form (without certificates) in denominations of $5,000, or any integral multiple thereof. Provided DTC, or its nominee Cede, is the registered owner of the 2017 Bonds, the principal of and interest on the 2017 Bonds will be paid to DTC or Cede, as its nominee. See "The Book-Entry-Only System" below. In the event the 2017 Bonds are no longer subject to the DTC Book-Entry-Only System, the principal of the 2017 Bonds will be payable upon surrender of the 2017 Bonds at the principal corporate trust office of the Paying Agent or at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Resolution.

So long as DTC, or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the 2017 Bonds, payment of the principal of and interest on the 2017 Bonds will be made directly to Cede & Co. (or any successor or assign), as nominee of DTC.

Redemption Prior to Maturity

Optional Redemption. The 2017 Bonds maturing on or after October 1, 2028 are subject to redemption prior to maturity at the option of the Commission on or after October 1, 2027, upon notice to the registered owner thereof, as a whole at any time or in part from time to time, in such order of maturity as selected by the Commission, at par, plus accrued interest thereon to the date fixed for redemption. If less than all of the 2017 Bonds of like maturity are to be redeemed, the particular 2017 Bonds or portions thereof to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its sole discretion may deem fair and appropriate.

Mandatory Sinking Fund Redemption. The 2017 Bonds maturing October 1, 20__ are subject to mandatory sinking fund redemption prior to maturity on October 1 in the years shown below, at a price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, from sinking fund payments in the amounts set forth below:

Year	Principal Amount
2033	$
2034	
2035	
2036	
2037*	

*Final Maturity

The 2017 Bonds to be redeemed from sinking fund payments shall be selected by lot by the Trustee; provided however, that the portion of any 2017 Bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof.

Notice of Redemption. When any 2017 Bonds have been selected for redemption as described and provided herein, the Trustee shall give written notice of such redemption, which notice shall set forth (i) the date fixed for redemption; (ii) the redemption price to be paid; (iii) that such 2017 Bonds will be redeemed at the principal office of the Paying Agent; (iv) if less than all of the 2017 Bonds shall be called for redemption, the distinctive numbers and letters, if any, of the 2017 Bonds to be redeemed; and (v) in the case of 2017 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. The Trustee shall mail such notice of redemption, postage prepaid, to the registered owners of the applicable 2017 Bonds or portions thereof which are to be redeemed at their last addresses, if any, appearing upon the registry books, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, but such mailing shall not be a condition precedent to such redemption and failure so to mail shall not affect the validity of the proceedings for the redemption of the 2017 Bonds.

Book-Entry-Only System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2017 Bonds, payment of principal and interest, and other payments on the 2017 Bonds to Direct Participants or Beneficial Owners (each as defined below), confirmation and transfer of beneficial ownership interests in the 2017 Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Commission. Accordingly, the Commission does not make any representations concerning these matters.

DTC will act as securities depository for the 2017 Bonds. The 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued in the aggregate principal amount of the 2017 Bonds, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants"). DTC has a S&P Global Ratings, a division of Standard & Poor's Financial Services LLC rating of "AA+". The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com or www.dtc.org.

Purchases of the 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2016 Note ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the 2017 Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2017 Bonds, except in the event that use of the book-entry system for the 2017 Bonds is discontinued.

To facilitate subsequent transfers, all 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission as soon as possible after the record date for the 2017 Bonds. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2017 Bonds, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the 2017 Bonds at any time by giving reasonable notice to the Commission or the Paying Agent. Under such circumstances, in the event that a successor Securities Depository is not obtained, 2016 Note certificates are required to be printed and delivered.

The Commission may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, 2016 Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Commission believes to be reliable, but the Commission takes no responsibility for the accuracy thereof.

THE PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2017 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE 2017 BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2017 BONDS.

Discontinuation of Book-Entry-Only System

If the Commission, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the 2017 Bonds at any time, the Commission will attempt to locate another qualified Securities

Depository. If the Commission fails to find such a Securities Depository, or if the Commission determines, in its sole discretion, that it is in the best interest of the Commission or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Commission undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Commission shall notify DTC of the termination of the book-entry-only system.

PLAN OF FINANCING

The 2017 Bonds are being issued which, together with other available funds of the Commission, will be used to to (i) currently refund the outstanding County Guaranteed Bridge System Subordinated Revenue Notes, Series 2016 of like principal amount maturing on November 16, 2017, (the "Prior Notes"), which refunded notes originally issued to provide funds for the costs of various capital improvements to the Commission's Bridge System (as defined in the Bond Resolution); (ii) make a deposit into the Debt Service Reserve Fund equal to Debt Service Reserve Fund Requirement as set forth in the Resolution, and (iii) pay costs and expenses associated with the issuance of the 2017 Bonds (collectively, the "Project").

On July 12, 2017, the Local Finance Board in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board") held hearings pursuant to the Local Authorities Fiscal Control Law, and by separate resolutions, issued its positive findings and recommendations with respect to (i) the issuance of the 2017 Bonds to fund the costs of the Project and (ii) the issuance by the County of the County Guaranty. The Commission acknowledged these findings by resolution adopted on July 19, 2017.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds, relative to the issuance of the 2017 Bonds:

SOURCES OF FUNDS:

Par Amount of 2017 Bonds
[Net] Original Issue [Premium/Discount]
Commission Available Funds

Total Sources of Funds

USES OF FUNDS:

Current Refunding of Prior Notes
Deposit to Debt Service Reserve Fund
Costs of Issuance[1]

Total Uses of Funds

[1] Represents Underwriter's discount and certain other costs and delivery expenses incurred by the Commission and the County in connection with the authorization, issuance and delivery of the 2017 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE 2017 BONDS

Pledge of the Resolution

The 2017 Bonds constitute special obligations of the Commission, payable solely from the sources pledged under the Resolution. Under the terms of the Resolution, the Commission has pledged and assigned the Construction Fund, Revenue Fund, Debt Service Fund, Debt Service Reserve Fund and Reserve Maintenance Fund and all the amounts on deposit in any such Fund (collectively, the "Pledged Property"), to the Trustee as security for the payment of (a) the principal of, redemption price of, and interest on the Bonds in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof, for the purposes and on the terms and conditions set forth in the Resolution, and (b) to the extent provided in the following sentence, any amounts owed to the County pursuant to any agreements entered into between the Commission and the County as provided in such sentence. Notwithstanding anything contained in the Resolution to the contrary, the Commission may enter into agreements with the County providing for the reimbursement to the County of any amounts paid by the County to the Owners of County Guaranteed Bonds (as defined herein) which are secured by a parity lien and pledge of the Pledged Property, without preference, priority or distinction over the rights of the Owner of the Bonds. See, "SECURITY AND SOURCES OF PAYMENT FOR THE 2017 BONDS -The County Guaranty" and Appendix D, "COPY OF SENIOR BOND RESOLUTION".

THE 2017 BONDS ARE SPECIAL OBLIGATIONS OF THE COMMISSION PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN. NEITHER THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION OF THE STATE OF NEW JERSEY, INCLUDING THE COUNTY OF BURLINGTON (EXCEPT TO THE EXTENT SET FORTH IN THE COUNTY GUARANTY), SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2017 BONDS AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF INCLUDING THE COUNTY OF BURLINGTON (EXCEPT TO THE EXTENT SET FORTH IN THE COUNTY GUARANTY) IS PLEDGED TO SUCH PAYMENT.

The Resolution is deemed to be and does constitute a contract by and between the Commission and the holders, from time to time, of the 2017 Bonds. The pledge made in the Resolution and the covenants and agreements set forth in the Resolution to be performed on behalf of the Commission shall be for the equal benefit, protection and security of the holders of any and all 2017 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 2017 Bonds over any other thereof except as expressly provided in or permitted by the Resolution. See, Appendix D, "COPY OF SENIOR BOND RESOLUTION" herein.

Revenues

General. In accordance with the provisions of the Act, the Commission is authorized to take, demand and receive from any person who shall pass over or use its bridges and approaches, such rate of toll as may be fixed by it from time to time. The Commission's primary source of revenues for the Bridge System is those tolls imposed and collected by the Commission for the use of certain components of the Bridge System. Revenues as defined in the Resolution includes (a) all tolls, revenues, fees, charges, rents, and other income and receipts derived or to be derived by the Commission from or for the operation, use or services of the Bridge System, (b) the proceeds received by the Commission of any use and occupancy insurance relating to the Bridge System and of any other insurance which insures against loss of Revenues, and (c) investment income from any moneys or securities held under the Resolution and paid into the Revenue Fund; provided, however, that Revenues shall not include the proceeds of any Government Grants or Government Loans.

Application of Revenues Under the Resolution. The Resolution directs the deposit of Revenues into the Revenue Fund and provides for the monthly payment of amounts: first, into the Operating Fund to fund all amounts required during the next succeeding calendar month (i) to pay the reasonable and necessary Operating Expenses and (ii) to maintain in the Operating Fund at all times reasonable and necessary amounts as an operating reserve; second, to the Debt Service Fund in amounts necessary to pay the Accrued Aggregate Debt Service for all Series of Bonds; third, to the Debt Service Reserve Fund in amounts by which the amounts in such Fund are less than the Debt Service Reserve Requirement; fourth, to the Reserve Maintenance Fund in amounts by which the moneys in such Fund are less than the Reserve Maintenance Requirement for the then current Fiscal Year; and fifth, to the General Reserve Fund the remaining balance of moneys in the Revenue Fund after making the above deposits and credits.

Covenant As To Tolls and Charges

Under the terms of the Resolution, the Commission has covenanted to fix, charge and collect tolls for the use of the toll bridges of the Bridge System in accordance with the provisions of the Act and as provided by the Resolution so that the Revenues for each Fiscal Year of the Commission shall at least equal (a) all Operating Expenses of the Commission for such Fiscal Year, (b) 105% of Aggregate Debt Service for such Fiscal Year, and (c) the requirements of all Funds for such Fiscal Year. See Appendix D, “FORM OF SENIOR BOND RESOLUTION" herein.

Debt Service Reserve Fund

As further security for the payment of the 2017 Bonds, the Commission has established a Debt Service Reserve Fund under the Resolution. The Debt Service Reserve Fund is required to be funded in an amount which is equal to the Debt Service Reserve Requirement established under the Resolution. The Debt Service Reserve Requirement, as of the date of computation, is an amount which is equal to the lesser of (a) the sum of ten percent (10%) of the net proceeds of the sale of the Bonds of each Series of which Bonds are Outstanding, or (b) the Maximum Aggregate Debt Service.

The County Guaranty

The Guaranty. The Burlington County Board of Chosen Freeholders adopted a resolution on April 28, 1993, as supplemented on April 11, 2001, November 14, 2012 and October 14, 2015, which authorized the guaranty by the County of the payment of the principal of and interest on certain Bonds of the Commission (the "County Guaranteed Bonds"), including the 2017 Bonds (the "County Guaranty"). To the extent that the Revenues or other moneys or securities or funds of the Commission are not available under the terms of the Resolution to pay the principal of or interest on the 2017 Bonds when due, the County Guaranty provides that the County is obligated to provide for such payment.

The payments which are required by the County under the terms of the County Guaranty will constitute the valid, binding, direct and general obligations of the County and are payable out of the first funds becoming legally available for such purpose. In the opinion of Bond Counsel to the Commission, the County has the power, and is obligated, to levy ad valorem taxes upon all the taxable real property in the County, for the purpose of making such payments under the County Guaranty, as the same shall become due, without limitation as to rate or amount, if such funds are not otherwise available. The County Guaranty will remain in full force and effect for as long as the 2017 Bonds remain outstanding.

Guaranty Agreement. The Commission and the County entered into a Guaranty Agreement (the “Guaranty Agreement”) pursuant to which the Commission has agreed to reimburse the County for any amounts paid by the County to the Owners of County Guaranteed Bonds, including the 2017 Bonds under the terms and provisions of the County Guaranty. The Guaranty Agreement requires the Commission to reimburse the County, upon demand, for any amounts paid by the County pursuant to the County Guaranty, together with interest, until paid, at the rate of interest equal to the higher of (i) the highest rate of interest at which the 2017 Bonds bear interest, or (ii) in the event any bonds, notes or other evidences of indebtedness are issued by the County in order to provide the necessary funds to make payments under the County Guaranty, the net interest cost to the County on such bonds, notes or other evidences of indebtedness. Notwithstanding anything in the Guaranty Agreement to the contrary, for so long as County Guaranteed Bonds are Outstanding under the Resolution, the Commission is only obligated to make the payments required to be made to the County pursuant to the Guaranty Agreement from the amounts, if any, on deposit in, or required to be deposited in, the General Reserve Fund and available therefor as provided in the Resolution.

To secure the payment of any amounts owing to the County pursuant to the Guaranty Agreement, the Commission will pledge and assign the Pledged Property in favor of the County; provided, however, that, as permitted by the Resolution, such pledge of and lien on the Pledged Property will rank on a parity with the pledge of and lien on the Pledged Property created by the Resolution in favor of the Owners of County Guaranteed Bonds, including the 2017 Bonds, without preference, priority or distinction over the rights of the Owners of County Guaranteed Bonds, including the 2017 Bonds.

The Guaranty Agreement also provides that, as soon as practicable after the Trustee is required to withdraw any amounts on deposit in the Debt Service Reserve Fund in order to pay current Debt Service coming due on the County Guaranteed Bonds, including 2017 Bonds, the Commission and the Trustee shall give written notice of such event to the County. Upon receipt of such written notice, the County is thereafter obligated under the terms of the Guaranty Agreement to take all budgetary steps, make all appropriations and take such other actions as may be necessary in order to authorize and provide for the payment by the County to the Trustee, by not later than the interest payment date for the County Guaranteed Bonds, including the 2017 Bonds, next following the end of the County's budget year in which such event occurs, of any payments of the principal of and interest on the County Guaranteed Bonds, including the 2017 Bonds, which the County may thereafter become obligated to pay in accordance with the County Guaranty.

Additional Bonds

Section 203 of the Senior Bond Resolution authorizes the issuance of one or more Series of Additional Bonds, subject to the conditions set forth in Section 202 of the Senior Bond Resolution for the purposes of financing Costs to the Bridge System, including but not limited to, all costs and expenses paid or incurred or to be paid or incurred by the Commission in connection with the construction, acquisition, development, reconstruction or replacement of any bridges, crossings over or tunnels and the acquisition of all land, rights-of-way, property rights and easements. See Appendix D, “FORM OF SENIOR BOND RESOLUTION”. The Resolution also authorizes Refunding Bonds to be issued to refund Outstanding Bonds. Such Additional Bonds and Refunding Bonds will be equally and ratably secured with, and rank on a parity with, the 2017 Bonds and any other bonds theretofore issued under the Resolution. See Appendix D, "FORM OF SENIOR BOND RESOLUTION" herein.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service requirements, after the date of issuance and delivery of the 2017 Bonds, for all outstanding Bonds and interest due on the 2017 Bonds:

Fiscal Year Ending September 30	2013 Bonds	2017 Bonds	Fiscal Total
2018	$6,589,612.50		
2019	6,213,237.50		
2020	5,824,112.50		
2021	5,418,362.50		
2022	5,031,362.50		
2023	4,633,362.50		
2024	2,957,862.50		
2025	2,498,612.50		
2026	2,017,362.50		
2027	1,532,987.50		
2028	1,030,012.50		
2029	788,350.00		
2030	542,631.25		
2031	284,550.00		
2032			
2033			
2034			
2035			
2036			
2037			
	$45,362,418.75		

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THE COMMISSION

General

The Commission is a public body corporate and politic of the State of New Jersey, created and existing under and by virtue of the Act, pursuant to a resolution of the Board of Chosen Freeholders of Burlington County, duly adopted on October 22, 1948. Upon its creation, the Commission purchased the Tacony-Palmyra Bridge (completed in 1929) and the Burlington-Bristol Bridge (completed in 1931) from the Burlington-Bristol Bridge Company and assumed responsibility for their operation and maintenance. Subsequently, by order to the Burlington County Board of Chosen Freeholders, the Commission assumed jurisdiction over six non-toll bridges in the County, certain approaches to each of the bridges and certain administrative offices and maintenance facilities in Palmyra, New Jersey and Burlington City, New Jersey.

Powers

The Commission's powers under the Act include, among others, the right to contract as a public body; to sue and be sued; to maintain, improve and replace any bridge under its charge and fix all boundaries and approaches; to borrow money and incur indebtedness, and issue negotiable bonds or notes for any purposes provided for in the Act; to acquire, hold and dispose of any real and personal property, enter onto and condemn lands necessary for its purposes pursuant to the Act and in accordance with the laws of the State governing eminent domain; adopt rules and regulations deemed necessary for the proper government of the bridges and approaches; and to establish and receive tolls for the use of its bridges and approaches at a rate set by the Commission. The Act also provides for dissolution of the Commission upon the satisfaction of certain requirements including repayment of all debt, at the discretion of the Board of Chosen Freeholders of the County.

The Commission's powers also include, among others, the right to plan, finance, acquire, construct, lease, improve and operate any project within the County, extend credit or make loans for such purpose and encumber all of its revenues, property, projects and facilities and fix and collect facility charges for the use of any project for the purpose of securing its bonds, notes and other obligations; subject to consent of bondholders, enter into and perform agreements with respect to property purchased, leased, borrowed, received or accepted by the Commission from any county, municipality, governmental unit or person for use as part of any project, including agreements for the assumption of principal or interest and any mortgage or lien attached to such property; charge and collect tolls, rents, rates, fares, fees or other charges in connection with any project owned, leased or controlled by the Commission.

Management

Pursuant to the Act, the Commission is composed of three Commissioners appointed by the Board for three year, staggered terms. The current members of the Commission, their offices and the dates of expiration of their present terms are as follows:

Commissioner	Office	Expiration of Term
John B. Comegno, II	Chairman	October 22, 2018
James D. Fattorini	Vice-Chairman	October 22, 2019
Troy E. Singleton	Commissioner	October 22, 2017

Administration and Employees

The Executive Director of the Commission is John D. Jeffers, the Secretary is Kathleen M. Wiseman and the Treasurer is Christine J. Nociti. The Commission has 116 full-time and 39 part-time employees, 86 of whom are represented by Local 194A of the International Federation of Professional and Technical Engineers, AFL-CIO, which provides representation for the maintenance department and toll department employees. The present union contracts for tolls and maintenance workers expires in 2018. There are 29 employees represented by the Bridge Commission Police Department Association. The present police union contract expires in 2018. In addition, the Commission hires a varying number of temporary employees for the summer season.

Employees of the Commission are covered under the Social Security Act. Employees of the Commission are also covered under the Public Employees Retirement System of New Jersey ("PERS"), which was established by the State Legislature. Employees currently contribute to PERS at an actuarially established rate. The Commission's annual contribution to PERS is accrued monthly and treated as an Operating Expense.

The Commission's Administrative Office is located at 1300 Route 73 North, Palmyra, New Jersey. Its mailing address is P.O. Box 6, Palmyra, New Jersey 08065-1090 (telephone number 856-829-1900).

THE BRIDGE SYSTEM UPDATE

Toll Bridges

Burlington-Bristol Bridge. The Burlington-Bristol Bridge was constructed by the Burlington-Bristol Bridge Company and was completed on May 2, 1931. The bridge spans the Delaware River and is 2,301 feet long with a 1,118 foot approach in Burlington City, New Jersey from Keirn Boulevard off of New Jersey State Route 130 and a 928 foot approach in Bristol, Pennsylvania off State Route 413. The bridge carries a 10 foot lane of traffic in each direction with no median barrier to protect the opposing traffic and has a 4 foot sidewalk on one side only for a portion of the length of the bridge. The bridge has a 540 foot lift span over the navigable channel with a vertical clearance of 135 feet above mean high water in the raised position and 64 feet above mean high water when open to vehicular traffic. It has two tower spans of 200 feet each.

Tacony-Palmyra Bridge. The Tacony-Palmyra Bridge was constructed by the Tacony-Palmyra Bridge Company and was completed on August 14, 1929. The bridge spans the Delaware River and is 2,324 feet long with a 630 foot approach in Palmyra, New Jersey off State Route 73 and 705 foot approach in the Tacony section of the City of Philadelphia off the intersection of Levick Street and State Road in Pennsylvania. The bridge carries two 10 foot outside lanes and two 9 foot inside lanes, with no median barrier to protect the opposing traffic and has two 4 feet 6 inch sidewalks for the length of the bridge. It has a 245 foot bascule span over the navigable channel with an unlimited vertical clearance in the open position, and a 520 foot tied arch span with a vertical clearance of 64.26 feet above mean high water.

Non-Toll Bridges

Riverside-Delanco Bridge. The Riverside-Delanco Bridge was constructed in 1934 and its operation and maintenance were transferred to the Commission by the County in 1970. The bridge is 394 feet long and carries River Road across Rancocas Creek. The bridge carries two 12 foot lanes of traffic and 8 foot shoulders in both directions with no median to protect the opposing traffic and has a 4 foot sidewalk on the west side for the entire length of the bridge. The swing span is 160 feet flanked by two truss spans of 113 feet each. In the open position there are two 52 foot horizontal clearances between fenders to allow boat passage.

Other Non-Toll Facilities. In addition to the three major bridges, the Commission currently maintains six minor toll-free bridges and road sections in the County. These consist of the River Road Bridge over the Pennsauken Creek and another River Road Bridge over Route 73, both of which were constructed in 1960. The remaining portions of the Bridge System include (a) the County Route 543 Bridge over Pompeston Creek, (b) the County Route 543 Bridge over Swedes Run Creek, (c) one twin pipe culvert on County Route 543 from Delanco to Beverly, and (d) the portion of County Route 543 from Route 73 to Beverly of approximately seven miles. These facilities were all transferred to the Commission by the County in the early 1970's.

Toll History and Current Tolls

The Commission has operated and maintained the Bridge System from the toll revenues of the two toll bridges, the Burlington-Bristol and Tacony-Palmyra Bridges (the "Toll Bridges"). Tolls are collected in the westbound travel direction only. The complete toll structures that became effective on September 15, 2015 are as follows:

Vehicle Class	Class	Cash	E-Z Pass
Passenger Car, Van Motorcycle, Light Truck	Class 1	$ 4.00	$ 3.00
Two Axle Bus/RV/Dual-Wheel Pick-up Truck	Class 2	6.00	5.00
Three Axle Bus/RV	Class 3	9.00	8.00
Additional Axles Being Pulled By Class 1, 2, 3	Class 4	3.00	2.00
Two Axle Truck	Class 5	12.00	12.00
Three Axle Truck	Class 6	18.00	18.00
Four Axle Truck	Class 7	24.00	24.00
Five Axle Truck	Class 8	30.00	30.00
Six Axle Truck		36.00	36.00
Additional Axles Being Pulled By Class 5, 6, 7, 8	Class 9	6.00	6.00

Competing Facilities

There are two Delaware River bridges located in the approximate vicinity of the Tacony-Palmyra Bridge and there is one Delaware River Bridge that could be considered an alternative to the Burlington-Bristol Bridge. The Betsy Ross Bridge (designated Route 90) is the competing toll bridge nearest to the Tacony-Palmyra Bridge. It is located two and one-quarter miles downstream from the Tacony-Palmyra Bridge. It is operated by the Delaware River Port Authority (DRPA). This bridge carries six lanes of traffic, three in each direction. The access from the New Jersey side from the New Jersey Turnpike and I-295 is State Highway 73 and State Highway 90. The Betsy Ross Bridge provides direct access to/from both northbound and southbound I-95 on the Pennsylvania side of the Delaware River.

The Betsy Ross Bridge toll plaza is located on the New Jersey side of the river and has ten lanes. Tolls are collected in the westbound direction towards Pennsylvania. The two center lanes in the toll plaza are Open Road Tolling (ORT) lanes. Vehicles with E-Z Pass or E-Z Pass compatible transponders can pass through the ORT lanes at the speed limit and do not have to slow down to register their toll payments. Cash and E-Z Pass are accepted in all other lanes. The current passenger car toll is $5.00 for both cash and E-Z Pass. This was increased from $4.00, in July of 2011. In September 2008, the toll was increased from $3.00 to $4.00 and the E-Z Pass discount was eliminated. In January 2000, the passenger car toll was increased from $2.00 to $3.00 for cash and was $2.70 for E-Z Pass. The Betsy Ross Bridge has adequate clearance for the passage of marine vessels underneath the bridge structure.

The Ben Franklin Bridge (I-676) is four miles downstream from the Betsy Ross Bridge. It is also a tolled bridge with seven lanes, four eastbound and three westbound. Access to the bridge on the New Jersey side is from U.S. 30 or I-676 from I-76. On the Pennsylvania side, local access is from the Vine Street Expressway, Race Street and North 5th Street. The Vine Street Expressway provides direct access to and from downtown Philadelphia. There is direct access to I-95 north, from the bridge, via the Vine Street Expressway. There is no direct access from the bridge to I-95 southbound and no direct access to the bridge from I-95 northbound. This bridge is also operated by the DRPA and has the same tolls as the Betsy Ross Bridge. The toll plaza is on the New Jersey side with tolls collected in the westbound (to Philadelphia) direction. There are 12 toll lanes in the toll plaza. Cash and E-Z Pass are accepted in all lanes. This bridge is also operated by the DRPA and has the same toll fare structure as the Betsy Ross Bridge. This bridge also has adequate clearance for the passage of marine vessels underneath the bridge structure.

The I-276 Bridge, located 3.25 miles upstream from the Burlington-Bristol Bridge, is its nearest and only competing bridge. It connects the New Jersey Turnpike and U.S. Route 130 to the Pennsylvania Turnpike and U.S. Route 13. On the New Jersey side, the only local access to the I-276 Bridge is from U.S. Route 130. On the Pennsylvania side, the only local access is to/from U.S. Route 13. Currently, there is no direct connection from the I-276 Bridge to I-95. A new interchange is presently under construction and is planned to be opened in 2018. On January 10, 2016, the Pennsylvania Turnpike Authority instituted a cashless one way toll location for users of the I-276 Bridge collected on westbound travelers. The current toll is $5.00 for a two axle passenger vehicle using EZ Pass and $6.75 for non-EZ Pass users.

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Summary of Historical Operations

The following table presents selected traffic and financial data for the Burlington-Bristol Bridge and the Tacony-Palmyra Bridge for the fiscal years 2012 through 2016.

Fiscal Year Ended September 30

	2016	**2015**	**2014**	**2013**	**2012**
Traffic Analysis					
Auto Lt Trucks	13,000,835	13,972,227	13,807,544	14,164,770	14,405,421
Trucks/Buses	460,791	470,207	449,546	458,855	419,567
Total Toll Traffic	13,461,626	14,442,434	14,257,090	14,623,625	14,824,988
Toll Revenue	$51,195,357	$34,365,158	$32,910,093	$33,653,729	$33,560,825
Other Revenues	701,287	478,568	539,581	319,015	418,765
Total Revenues	$51,896,644	$34,843,726	$33,449,673	$33,972,744	$33,979,590
Operating Expenses	$27,038,202	$25,194,243	$25,140,201	$24,411,847	$23,552,144
Available for Debt Service	$24,858,442	$9,649,484	$8,309,472	$9,560,897	$10,427,446
Debt Service	$4,867,238	$4,949,237	$5,052,488	$3,708,040	$2,708,596
Coverage	511%	195%	164%	258%	385%

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PLEDGE OF STATE NOT TO LIMIT POWERS OF COMMISSION OR RIGHTS OF NOTEHOLDERS

The Act sets forth the pledge and agreement of the State of New Jersey with the holders of the 2017 Bonds, bonds, or other indebtedness of the Commission, including the 2017 Bonds, that it will not limit or alter the rights vested by the Act in the Commission to fix, establish and collect tolls or facility charges, and revise such tolls and facility charges when necessary, as will be sufficient to always comply fully with and fulfill the terms of all agreements and covenants made with the holders of the Commission's obligations and will not in any manner impair, alter or abrogate any other power or obligation vested by the Act in the Commission or the rights and remedies of such holders, until such bonds, notes or other indebtedness, together with the interest thereon, and all costs and expenses in connection with any actions or proceedings taken by or on behalf of such holders, are fully paid and discharged or adequate provision is made for the payment of discharge thereof.

LITIGATION

The Commission

In the opinion of General Counsel to the Commission, there is no controversy or litigation of any nature now pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the 2017 Bonds, or in any way questioning or affecting the validity of the 2017 Bonds or any proceedings of the Commission taken with respect to the issuance or sale thereof. To the knowledge of the General Counsel to the Commission, no litigation is presently pending or threatened that, in the opinion of the General Counsel to the Commission, would have a material adverse impact on the financial condition of the Commission if adversely decided.

The County

In the opinion of the County Solicitor, Kendall Collins, Esquire, there is no controversy or litigation of any nature now pending or, to the best of his knowledge, threatened against the County restraining or enjoining the extension of the County Guaranty with respect to the 2017 Bonds, or in any way contesting or affecting the validity of the County Guaranty, or any proceedings of the County taken with respect to the authorization or delivery thereof. To the knowledge of the County Solicitor, no litigation is presently pending or, to the best of his knowledge, threatened that would have a material adverse effect on the financial position of the County or its ability to pay or to provide for payment under the County Guaranty if adversely decided.

TAX MATTERS

General

In the opinion of Capehart & Scatchard, P.A., Bond Counsel to the Commission, assuming continuing compliance by the Commission with their respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the *"Code"*), pertaining to the issuance of the 2017 Bonds, and subject to certain provisions of the Code that are described below, interest on the 2017 Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

The Code imposes an alternative minimum tax on individuals and corporations. Interest received with respect to certain types of private activity bonds issued after August 7, 1986 is considered a tax preference subject to the alternative minimum tax. As the 2017 Bonds are not private activity bonds, interest on the 2017 Bonds will not be considered a tax preference item for purposes of the alternative minimum tax for individuals and corporations. However, interest on the 2017 Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax on certain corporations.

Ownership of tax-exempt obligations may also result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations.

The Code contains a number of provisions that apply to the 2017 Bonds, including restrictions relating to the use or investment of the proceeds of the 2017 Bonds and the payment of certain arbitrate earnings in excess of the “yield” on the 2017 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the 2017 Bonds being includable in gross income for federal income tax purposes retroactive on the date of issuance of the 2017 Bonds. The Commission has covenanted to comply with these requirements and in rendering its opinion, Bond Counsel has assumed continuing compliance by the Commission with the covenants contained in the Subordinated Note Resolution and in the Certificate as to Nonarbitrage and Other Tax Matters. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the 2017 Bonds that may affect the tax-exempt status of the interest thereon.

In the opinion of Bond Counsel, interest on the 2017 Bonds and any gain from the sale thereof are excludable from gross income of the owners thereof under the New Jersey Gross Income Tax Act.

Section 265(b) of the Code generally denies to banks, thrift institutions and other financial institutions any deduction for that portion of interest expense incurred or continued to purchase or carry tax-exempt obligations. Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. The 2017 Bonds are ***not*** “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Owners of the 2017 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey

Bond Counsel is also of the opinion that interest on the 2017 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in New Jersey that, if enacted, could alter or amend the Federal and New Jersey tax matters referred to above or adversely affect the market value of the 2017 Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2017 Bonds.

PROSPECTIVE PURCHASERS OF THE 2017 BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE 2017 BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

SECONDARY MARKET DISCLOSURE

In accordance with the provisions of Rule 15c2-12, as amended (“Rule 15c2-12”), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the Commission will, prior to the issuance of the 2017 Bonds, enter into an agreement (the “Continuing Disclosure Agreement”) with the Trustee, as dissemination agent (the “Dissemination Agent”). The Commission has agreed pursuant to the provisions of the Continuing Disclosure Agreement to provide certain financial information and operating data (the “Annual Report” as defined in the Continuing Disclosure Agreement) and notice of certain material events to the Electronic Municipal Market Access System (“EMMA”) as described in the Continuing Disclosure Agreement. See “APPENDIX G – FORMS OF CONTINUING DISCLOSURE FOR THE COMMISSION AND COUNTY” hereto.

As of the date of this Official Statement, the Commission is in compliance in all material respects with all existing undertakings to provide continuing disclosure in accordance with the provisions of Rule 15c2-12.

Additionally, in accordance with the provisions of Rule 15c2-12, the County will, simultaneously with the issuance of the 2017 Bonds, execute and deliver a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") that obligates the County to directly file with EMMA certain financial information and operating data (the “Annual Report” as defined in the Continuing Disclosure Certificate) and notice of certain material events no later than two hundred seventy (270) days after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2017. See "APPENDIX G – FORMS OF CONTINUING DISCLOSURE FOR THE COMMISSION AND COUNTY" hereto.

As of the date of this Official Statement, the County is in compliance in all material respects with all existing undertakings to provide continuing disclosure in accordance with the provisions of Rule 15c2-12.

MUNICIPAL BANKRUPTCY

The undertakings of the Commission and the County should be considered with reference to Chapter IX of the United States Bankruptcy Code (the "Bankruptcy Code"), 11 *U.S.C.* Section 901 to 946. Under Chapter IX of the Bankruptcy Code, a municipality, a political subdivision or a public agency or instrumentality of the State that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court (the "Bankruptcy Court") to adjust its debts. Chapter IX of the Bankruptcy Code does not permit such entity to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter IX of the Bankruptcy Code permits a financially distressed public entity to seek protection from its creditors by staying the commencement or continuation of certain actions against such public entity while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the minority of creditors. Should the Commission or the County file a petition in the Bankruptcy Court under Chapter IX of the Bankruptcy Code prior to the payment in full of the principal of and interest on the 2017 Bonds, the holders of the 2017 Bonds would be considered creditors and would be bound by the public entity's plan of adjustment of its debt.

Reference should also be made to *N.J.S.A.* 52:27-40 thru 52:27-45.11 which provides that "any political subdivision" of the State as defined therein has the power to file a petition with the Bankruptcy Court under Chapter IX of the Bankruptcy Code provided the "political subdivision" has obtained approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11 *U.S.C.* Section 903, specifically provides that Chapter IX of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality; provided, however, that a state law prescribing a method of composition of indebtedness of the municipality may not bind any creditor that does not consent to such composition and that a judgment entered under such state law may not bind a creditor that does not consent to such composition.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE COMMISSION OR, THE COUNTY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE 2017 BONDS.

LEGALITY FOR INVESTMENT

The Act provides that the State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof; all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking or investment business, all insurance companies, insurance associations and other persons carrying on an insurance business; and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or the notes of the Commission, including the 2017 Bonds, and such obligations are authorized security for any and all public deposits.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the 2017 Bonds are subject to the approval of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Commission, whose approving legal opinion will be delivered with such 2017 Bonds, substantially in the form annexed hereto as Appendix F. Certain legal matters will be passed on for the Commission by its General Counsel, Capehart & Scatchard, P.A., Trenton, New Jersey, for the County by its Solicitor, Kendall J. Collins, Esquire, and Parker McCay, P.A., as Bond Counsel to the County, and for the Underwriter by its counsel, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey.

UNDERWRITING

The 2017 Bonds are being purchased from the Commission for reoffering by NW Capital Markets Inc. (the "Underwriter") as set forth on the front cover page of this Official Statement. The purchase price for the 2017 Bonds is $_________ consisting of the par amount of the 2017 Bonds, [plus/less] a[n net] original issue [premium/discount] in the amount of $_________, less an Underwriter's discount in the amount of $_________. The Underwriter is obligated to purchase all of the 2017 Bonds if any of the 2017 Bonds are purchased.

The Underwriter intends to offer the 2017 Bonds to the public initially at the offering price set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the 2017 Bonds to the public. The Underwriter may offer and sell the 2017 Bonds to certain dealers (including dealers depositing Notes into investment trusts) at prices lower than the public offering prices set forth on the front cover page of this Official Statement, and such public offering prices may be changed, from time to time, by the Underwriter without prior notice.

The Underwriter is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter has, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Commission, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Commission.

The Underwriter may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

Moody's Investors Service Inc. ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies ("S&P"), have assigned ratings to the 2017 Bonds of "Aa2" (stable outlook) and "AA" (stable outlook) respectively.

Explanations of the significance of such bond ratings may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and from S&P at 55 Water Street, New York, New York 10041. Such bond ratings express only the views of Moody's and S&P, and an explanation of the significance of the ratings may be obtained from Moody's and S&P. There is no assurance that such bond ratings will continue for any period of time or that they will not be revised or withdrawn entirely by Moody's and S&P, if in the judgment of Moody's and S&P, circumstances so warrant. Any revision or withdrawal of such ratings may have an adverse effect on the marketability and market price of the 2017 Bonds.

EXCERPTS AND APPENDICES

Appendices A and B to this Official Statement consists of certain financial and statistical information concerning the County which has been extracted from public records and public documents of the County and from other public or official documents or publications which are referred to therein.

Appendix C to this Official Statement consists of certain financial information prepared by Bowman & Company, LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their opinions appearing in such Appendix, and have been included herein in reliance upon such opinions given upon the commission of that firm as experts in accounting and auditing.

Appendix D to this Official Statement consists of a copy of the Senior Bond Resolution.

Appendix E to this Official Statement consists of a form of the Guaranty Agreement.

Appendix F to this Official Statement consists of the form of approving legal opinion of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Commission. Copies of such opinion will be available at the time of delivery of the 2017 Bonds.

Appendix G to this Official Statement consists of the forms of Continuing Disclosure for the Commission and County.

Appendix H to this Official Statement consists of traffic and revenue report.

MISCELLANEOUS

The references herein to the Act, the Resolution and the County Guaranty are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to the Act, the Resolution and the County Guaranty for full and complete statements of such provisions. These documents may be inspected at the office of the Commission in Palmyra, New Jersey, and at the principal corporate trust office of the Trustee in Morristown, New Jersey.

Any statements which are contained in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions herein have been made on the best information available and are believed to be reliable but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the 2017 Bonds.

The execution and delivery of this Official Statement as of the dated date of this Official Statement has been duly authorized by the Commission.

BURLINGTON COUNTY
BRIDGE COMMISSION

By:_______________________________
John D. Jeffers, Executive Director

Dated: October __, 2017

APPENDIX A

GENERAL INFORMATION CONCERNING THE COUNTY

GENERAL INFORMATION REGARDING THE COUNTY

Burlington County, located in South Central New Jersey is, in area, the largest county in the State and is only thirty minutes from downtown Philadelphia and ninety minutes from New York City. It covers 529,351 acres of which 524,160 are land and 5,191 are water. The 827 square miles extend from the Delaware River to Great Bay at the Atlantic Ocean. Burlington County is bordered by Mercer, Monmouth, Ocean, Camden, and Atlantic counties.

About fifty-four percent of the County is forest, twenty-five percent farmland, seventeen percent residential, and four percent federally owned land. Most of the productive farmland is in the third of the County that parallels the Delaware River. East of this is mostly pine woodland, where State-owned forests and parks make up twenty percent of the County.

Population[1]

Burlington County has forty political subdivisions, consisting of three cities, thirty-one townships and six boroughs. Municipalities with populations over 30,000 include the Townships of Willingboro, Evesham and Mount Laurel. The County seat is located in Mount Holly, which has a population of 9,536.

2010 Federal Census	448,734
2000 Federal Census	423,394
1990 Federal Census.	395,066
1980 Federal Census	362,542
1970 Federal Census	323,132
1960 Federal Census	224,499
1950 Federal Census	135,926
1940 Federal Census	97,013

Labor Force

The following table discloses current labor force data for the County. Data was provided by the New Jersey Department of Labor and Workforce Development using the U.S. Bureau of Labor Statistics Method.

LABOR FORCE DATA[2]

	2016 Average	2015 Average	2014 Average
Labor Force	234.6	232.4	232.0
Employment	224.3	220.3	217.4
Unemployment	10.3	12.1	14.7
Unemployment Rate (%)	4.4%	5.2%	6.3%

[1] Source: U.S. Department of Commerce, Bureau of Census.
[2] In thousands. N.J. Department of Labor and Workforce Development.

Farming

Burlington County is first in the State for land devoted to farming, with over 110,000 acres of farmland. The leading agricultural commodities are nursery, greenhouse and sod followed by the production of fruits and berries, vegetables, grains, and dairy as well as breeding equine. The County is first in the State in the production of soybeans and cranberries and second in the production of sweet corn and blueberries.[1]

In 1985, Burlington County preserved the first farms in the State with the acquisition through the County's Farmland Preservation Program of 608 acres of prime farmland in Chesterfield Township. The approximately 138,000 acre Agricultural Development Area ("ADA") is where the County focuses most of its preservation efforts. The County has also been the State's testing grounds for a unique Transfer of Development Rights ("TDR") program, which couples land preservation with planned residential and commercial growth.

As of October 2016, more than 58,134 acres of farmland have been preserved, securing the County's position as a statewide leader in farmland preservation. An additional 750 acres for farmland are targeted for next year.[2]

Transportation

Excellent transportation services are available in Burlington County – New Jersey Transit, Greyhound Lines, and Academy Bus Lines are the major bus lines connecting the County with Philadelphia, New York, Baltimore and Washington, D.C. There are also two Conrail railroad lines that together with the Delaware River and its forty-foot channel, provide bulk cargo transportation alternatives.

The New Jersey Turnpike travels through the center of Burlington County providing four exits that access to all areas of the County. The new Exit 6, located in Florence Township, opened to motorists in February 2001, providing access to both the New Jersey and Pennsylvania Turnpikes from Route 130. Major connectors to the Turnpike include I-95 and I-295 with eight exits; U.S. Highways #130 and #206; and State Highways #38, #70, #72 and #73. Many fine County roads service this network.

Currently, more than $100 million in highway improvement projects are underway within the County. The County has more than 508 miles of roads under its jurisdiction.

New Jersey Transit passenger rail service began operations on March 14, 2004. This service provides rail transportation for the dozen municipalities that make up the Route 130/Delaware River Corridor in the County ("River Line"). The River Line rail service connects the cities of Camden and Trenton, providing commuters with an alternative transportation option and, in the process, bolstering a regional study and plan for revitalizing business and growth through this western portion of the County. Additionally, the County provides a cross-County bus system (Burlink) connecting with New Jersey Transit bus routes and the River Line stations which is operated by the Stout Charter Service, Inc.

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[1] Source: 2002 Census of Agriculture, USDA National Agricultural Statistics Service.
[2] Source: Burlington County Department of Resource Conservation.

Industries

Twenty-six active industrial/office parks are located throughout the County. Some of the major parks are: Bishop's Gate Corporate Center, East Gate Business Center I and Laurel Corporate Center located in Mount Laurel; Moorestown Industrial Park located in Moorestown; Crossroads Business Center located in Burlington Township; Greentree Office/Industrial Campus and Marlton Crossing located in Evesham Township; Haines Industrial Center located in Burlington and Florence Townships; Cindel located in Cinnaminson; Lumberton Corporate Center located in Lumberton Township; and Highland Business Park located in Westampton Township. All of these parks are adjacent to major transportation arteries. Their tenants are representatives of the major industries located in the United States.

Some exciting businesses have built facilities in the County and others are coming to the County.

- NFI built Subaru of America a 526,050 square-foot parts distribution facility and 17,000 square-foot office and training facility in Florence Township which was completed and fully operational in June 2013, adding 126 jobs. NFI built a 504,000 square-foot addition of which Subaru occupies 189,000 square-feet, Okidata 252,000 square-feet and Nestle 63,000 square-feet.
- Burlington Stores (formerly Burlington County Coat Factory) built a 522,000 square-foot warehouse and a 218,000 square-foot international corporate headquarters in Florence Township, adding more than 800 hundred jobs. In addition, Burlington Stores is leasing two adjacent build-to-suit warehouses in Haines Industrial Park, 677,000 square-feet in Burlington Township and 200,000 square-feet in Florence Township. They also built a 731,000 square-feet truck staging area in Edgewater Park Township that employs more than 1,000 workers. Burlington Stores has a total of 2,565 employees in the County.
- Express Scripts consolidated all of its New Jersey facilities and built a 240,000 square-foot distribution center in Florence Township with more than 700 jobs created.
- Destination Maternity built a 406,000 square-foot warehouse and moved to an 81,000 square-foot office building in the County, adding more than 675 new jobs.
- W.W. Grainger, a leading supplier of maintenance, repair and operating products, built a 1.3 million square-feet distribution center on 96 acres of land in Bordentown Township, which added approximately 400 warehouse operations jobs.
- Rancocas Industrial Park built a 682,000 square-foot warehouse/distribution center in Westampton Township, with more than 100 jobs created.
- Amazon built a 614,000 square-foot fulfillment center in Florence Township, which is generating approximately 500 jobs. Adjacent to Amazon is the recently completed 577,000 square-foot 1st Florence Logistics Center.
- Burlington Industrial Park in Burlington Township is four-warehouse complex with a total of 1,582,000 square-feet that will add approximately 400 jobs. Three of the four warehouses are completed.
- ARI/Acacia Cabinetworks renovated and existing building in Crossroads Industrial Park, Burling Township to create a $1.4 million project that includes 63 additional jobs.
- The Brickwall Tavern and Restaurant in Burlington City completed a $1.4 million project that renovated the old Endeavor Firehouse and added 63 jobs.

- The View at Marlton in Evesham Township is an 80,000 square-foot, $30 million retail center that is currently under construction.

There are also numerous new housing projects including Rivergate at Bordentown, a 159 luxury rental apartment complex, which recently opened as part of Phase I of a $300 million, 98-acre redevelopment project along the Delaware River waterfront in Bordentown Township known as Bordentown Waterfront Community. The Bordentown Waterfront Community involves the transformation of a former ship salvage yard into a transit village with up to 674 apartments and townhouses, stores, restaurants, a public park, pier and a new River Line train station. Parker's Mill in Mt. Holly has completed Phase 1 of their project that includes 60 townhouses, and 228 apartments.

Burlington County initiated an award-winning revitalization plan in 1995 ("Plan") that included working with twelve municipalities located in a 17 mile long corridor that runs from Palmyra to Florence from the Delaware River and along Route 130. Originally called the Route 130 Corridor Project it is now the River Route project because it brings together the Delaware River, the rail line and Route 130 for economic success. Since its inception, the Plan has attracted major industry including the Merck-Medco automated mail service facility, an extension of the Rowan College at Burlington County (formerly Burlington County College) campus, Burlington Stores distribution center, a new public library, and national and regional retailers along with residential housing. Thus far, the Plan has resulted in 203 new major businesses with over $2.0 billion in new investment and created more than 3,000 new jobs. This plan is currently being updated to include four (4) additional communities along the River Line. The County has also received a State "smart growth" grant to undertake a regional study in the northern Route 206 area, which will result in a plan to provide for commercial growth while retaining the rural character of the ten (10) communities involved.

Industrial park land costs range from $60,000 to $300,000 per acre. Speculative and build-to-suit construction share equally in today's market. Examples of distribution facility construction include: General Service Administration - 1 million square feet; Consumer Value Stores - 488,000 square feet (completed in 1990) and 320,000 square feet addition (completed in 1993); IKEA – 1.2 million square-foot distribution center (began operations in 1992); Office Depot - 160,000 square feet; National Medical Care - 120,000 square feet; and Roosevelt Paper Co. - 465,000 square feet.

Bishops Gate Center, an Office/Industrial Campus located in Mount Laurel Township, is home to Okidata Corporation headquarters, warehouse and assembly facilities; PHH Mortgage Services and the Bancroft School campus, a $75 million project on 80 acres that is under construction.

The Haines Center, spanning over 800 acres in Burlington and Florence Townships at NJ Turnpike Exit 6A, offers a variety of building sites and warehousing and distribution facilities ranging from 80,000 square feet to 1,000,000 square feet. The Haines Center is approximately at two-thirds capacity with tenants including Burlington Stores, BJ's Wholesale Club, Christmas Tree Shops, Home Depot, Destination Maternity and other national companies.

Lockheed Martin recently completed an approximately 72,000 square-foot expansion of its AEGIS Combat System technologies building located in Moorestown Township. The expansion project, undertaken in conjunction with Lockheed Martin's notification of a ten-year extension of its Navy research and development contract, will add approximately 100 new jobs.

Housing

The County offers the advantages of life in a major metropolitan area without the drawbacks. In the past two decades, Burlington County has seen a 65 percent increase in the number of new homes. There are more than 136,000 residential homes in every price range. According to the latest market figures provided by TREND Multiple Listing Service, the 2016 average settled price of single-family homes in the County was $241,170. Current construction is keeping pace with the demands of a growing population and expanding business community. Popular housing areas include Burlington Township, Evesham, Mansfield, Medford, Moorestown, Pemberton and Mount Laurel where housing of many types exists and there is significant ongoing development.

Military Bases

The County is home to two military installations, McGuire Air Force Base and Fort Dix Army Reserve Training Center. Both have been given a larger role in the wake of the Base Realignment and Closure ("BRAC") process which has incorporated adjoining Lakehurst Naval Air Station on the eastern border of Fort Dix to create the Joint Base Dix-McGuire-Lakehurst ("Joint Base"). The Joint Base is a combined 42,000 acres central to Philadelphia, New York City and Atlantic City. The base is expected to acquire twenty-four KC-46A Pegasus aircraft to replace the legacy aircraft.

McGuire is now one of the largest and most active U.S. Air Force installations on the East Coast, employing 5,000 active duty military plus another 4,000 civilians. About 70 large aircraft are stationed on base. In the 1990s the base received more than $500 million in new construction. In 2001, the Air Force decided to station the newest cargo airlifter - the Boeing C-17 Globemaster - at the base, securing the base's future for generations. Another $100 million in new construction has recently been completed.

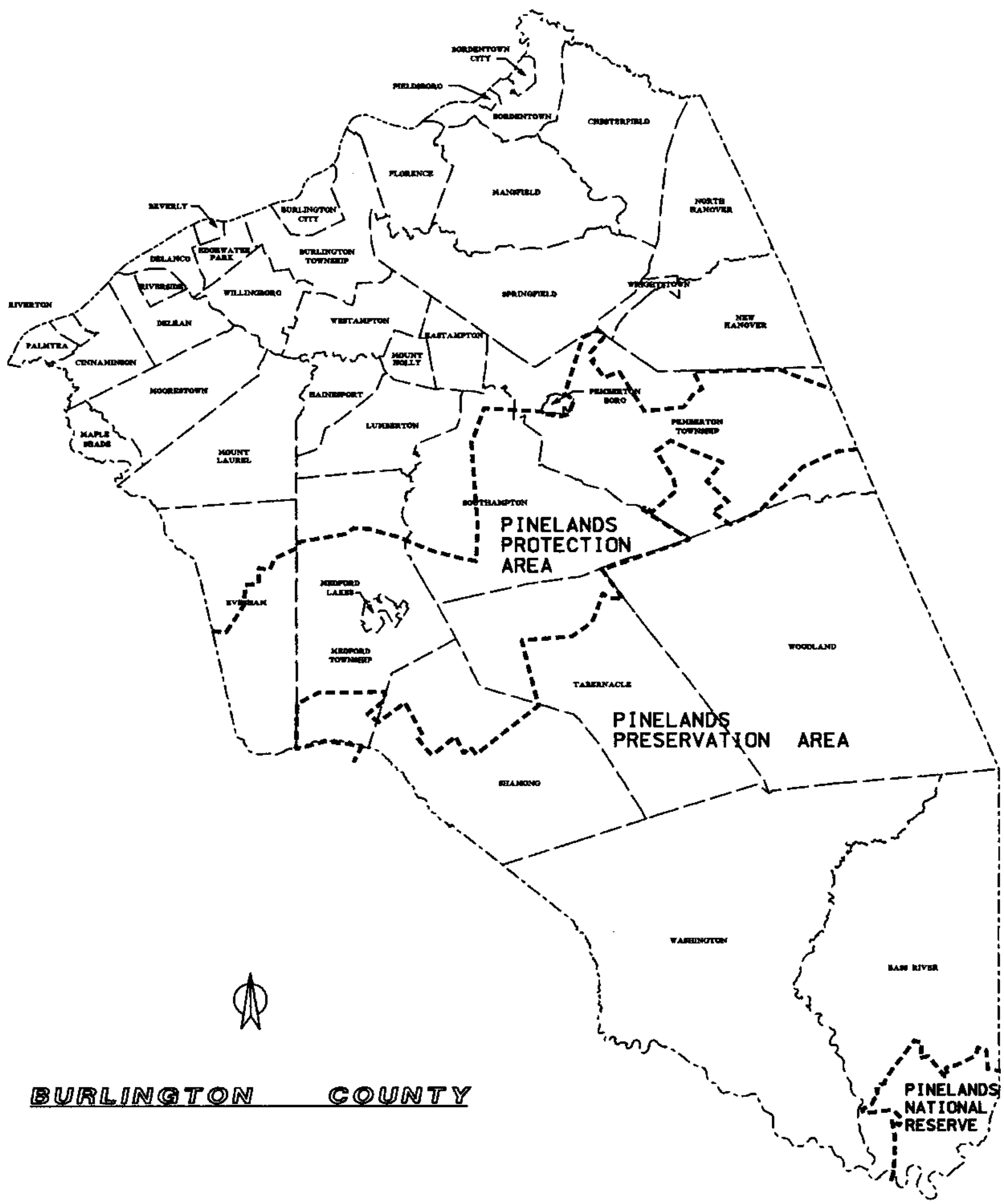
At Fort Dix, the expanding role of the U.S. Reserves in the post-Cold War era has made the post busier than ever. The 50 square mile post has adapted to include new sources of employment, including the largest federal prison in the country and a state youth correctional facility. The Navy, Veterans Affairs, National Oceanic & Atmospheric Administration, National Guard, State Police, FBI and U.S. Coast Guard's environmental cleanup response agency known as the Atlantic Strike Team all have operations out of Fort Dix. Fort Dix employs nearly 4,000 local residents. Additionally, a daily average of over 3,000 reservists train on the post. The Lakehurst Naval Air Engineering Station employs another 3,000 workers.

Fort Dix adds over $130 million to the local economy each year. McGuire contributes nearly $500 million annually to the County economy.

After the BRAC announcement in 2006 to create the Joint Base, hundreds of millions of dollars were committed to be spent on construction to create the Joint Base in the next 10 years.

Fort Dix and McGuire Air Force Base are expected to get 1,050 and 779 additional jobs, respectively. The Joint Base will create an influx of new construction jobs through key projects which total approximately $205.8 million and include a Marine air group headquarters, helicopter hangars, a joint use reserve training center and Navy fleet logistics support squadron aircraft operations and maintenance facility.

The Pinelands Planning Boundaries in Burlington County



Pinelands

The legislative mandate to protect the Pinelands is set forth in the National Parks and Recreation Act of 1978, signed by President Carter on November 10, 1978. The Act established the Pinelands National Reserve, encompassing parts of seven southern New Jersey counties and all or parts of 56 municipalities. This includes all or part of parts of 14 County municipalities, totaling 346,600 acres. (The County covers 529,351 acres and is comprised of 40 municipalities). The Act also authorizes the establishment of a planning study responsible for preparing a Comprehensive Management Plan for the Reserve.

To comply with the federal statute, Governor Brendan T. Byrne issued Executive Order 71 on February 8, 1979, providing for the establishment of the Pinelands Planning Commission and making development in the Pinelands area subject to Commission approval during the planning period. In June 1979, the State Legislature passed the Pinelands Protection Act, thereby endorsing the planning restrictions on development. An amendment to this statute divided the Pinelands area into two planning segments, the Preservation and Protection Areas.

The New Jersey Pinelands Comprehensive Management Plan takes its direction from the acts which recognize the unique natural, physical, and cultural qualities of the Pinelands and the pressure for residential, commercial and industrial development.

Following its work program and legislative mandates, the Commission has adopted a plan for the Preservation Area (including 232,400 County acres).

PINELANDS MUNICIPALITIES WITHIN THE COUNTY

Municipality	Total Area Sq. Miles	Pinelands Nat'l Reserve	Pinelands Area	Preserved Area
Bass River Township	77.4	100%	88%	85%
Evesham Township	29.7	75%	55%	-0-
Medford Lakes Borough	1.3	100%	100%	-0-
Medford Township	40.3	78%	78%	12%
New Hanover Township	21.9	89%	89%	30%
North Hanover Township	17.4	1%	1%	-0-
Pemberton Township	64.7	91%	91%	19%
Shamong Township	46.6	100%	100%	74%
Southampton Township	43.3	74%	74%	-0-
Springfield Township	29.3	2%	2%	-0-
Tabernacle Township	47.6	100%	100%	77%
Washington Township	107.3	100%	-0-	100%
Woodland Township	95.4	100%	-0-	100%
Wrightstown Borough	1.7	74%	74%	-0-

Shopping Facilities

Shopping facilities in the County are as varied as they are excellent. In addition to the neighborhood stores of each community, the County has many of the nation's finest shopping centers in the region. The Moorestown Mall offers more than 1 million square feet of retail space that includes major department stores Boscov's, Sears and Lord and Taylor.

Eastgate II and Eastgate Square, two shopping retail centers adjacent to the Moorestown Mall, house Home Depot, Old Navy, Dick's Clothing and Sporting Goods, Barnes & Noble, PetSmart, Best Buy, Ross Dress For Less, and Kitchen Kapers.

Built in the Townships of Burlington and Westampton, is the Towne Crossing Shopping Center which houses Home Depot, Target Department Store, Kohl's Department Store, Dick's Clothing and Sporting Goods, TGI Friday's and Office Max and a nearby Sears at the adjacent Burlington Center Mall that is being redeveloped.

Hartford Crossing, a shopping center located along Route 130 in Delran Township, contains a Shop Rite supermarket, a Lowes home improvement center and several smaller stores, shops and restaurants.

Centerton Square, which opened in early 2006, is a premier regional open-air shopping center located at the interchange of Interstate 295 and Route 38 in Mount Laurel Township. The shopping center contains approximately 732,000 square feet of gross floor area with national and regional retail tenants such as Target, Costco, DSW, Bed Bath & Beyond and Wegmans, an approximately 130,000 square-foot upscale food supermarket.

Rowan College at Burlington County (Formerly Burlington County College)

Rowan College at Burlington County (formerly Burlington County College) ("RCBC" or the "County College") is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The 225-acre main campus is located on Pemberton-Browns Mills Road in Pemberton Township, while the Mount Laurel campus opened in July 1995. The Freeholder Board sponsors the College, appointing nine of the twelve Trustees.

In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the County College thereby allowing students to obtain a bachelor's degree from Rowan University on the County College's Mount Laurel Campus. The unique partnership provides students the opportunity to seamlessly transition from the community college to the university. RCBC is the first community college in the region to offer junior-level courses as part of the "3+1" program in which students complete 75 percent of a Rowan University degree with the community college before completing their senior year at the university.

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus, which will be completed by fall 2017. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center - a 78,000 square foot, $25.4 million state-of-the-art building that will feature a one-stop shop for student services from enrollment to academic planning, knowledge commons library, bookstore, dining area and state-of-the-art technology. This building will serve as the gateway to the newly transformed Mount Laurel campus with a total investment of $55 million and renovation of 240,000 square feet.

The County College's fall 2016 enrollment in academic courses was 8,586 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law (See "COUNTY INDEBTEDNESS – Local Bond Law" and " - Debt of Rowan College at Burlington County (Formerly Burlington County College) and the Burlington County Institute of Technology" herein) except that no down payment is required.

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses in Westampton and Medford is 2,001 students.

The Burlington County Institute of Technology ("BCIT") is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law (See "COUNTY INDEBTEDNESS – Local Bond Law" and " - Debt of Rowan College at Burlington County (Formerly Burlington County College) and the Burlington County Institute of Technology" herein) except that no down payment is required.

BCIT contributes to the County workforce each year an average of 485 high school seniors certified in one of 30 career and technical programs and, through its Adult School Division, approximately 540 adults who have completed either a certification or licensing program in one of the 35 career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

Burlington County Special Services School District

The Burlington County Special Services School District was created by the Board in June 1972. The District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, Medford, and Mount Laurel and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped and the autistic; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen through sixteen with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen to twenty-one. The enrollment for the Special Services School District is 695 students.

Recreation

The County provides a wealth of recreational opportunities, including eleven public and private golf courses, several marinas, areas for gunning, fishing and hiking and displays of historical interest. All or part of six state forests and parks, including Wharton State park, are located in the County. The Wharton Mansion and the Village of Batsto have been restored to their appearance in colonial times.

In 1975, the County acquired the Smithville Estate, a 251-acre tract located in the southeast corner of Eastampton Township, and developed it as the County's first park. Included in the acquisition was the historic H.B. Smith Mansion which has been restored and houses many fine cultural and heritage activities. Smithville Lake is being developed into a many faceted water related recreational center.

The County is also actively developing a new Parks System which will provide access to the Delaware River and the Rancocas Creek, a variety of hiking and biking trails and other recreational amenities. The County has fourteen (14) parks with more than 1,000 acres of developed parkland, 3,500 acres of land slated for park development, and a regional trail system that will provide a link between the parks.

Museums and galleries are also an important part of County culture. The County has seven (7) cultural points of interest for people to visit: the Burlington County Lyceum of History and Natural Sciences, the Prison Museum, the Smithville Annex Gallery, the Smithville Visitor Center, the Warden's House Gallery, the Worker's House and Gallery, and the Underground Railroad Museum.

Business Atmosphere

The business community in the County is both sophisticated and diverse. Products range from handcrafted yachts to cranberry juice, from films of professional football games to fabrics which protect American astronauts. Firms producing computers, electronics, bio-medical machinery, fabricated metals and food products, along with insurance and financial firms, lead the private community.

From 2010 to 2014, the number of firms located in the County increased from 10,395 to 10,531, an increase of 1.3%. During the same time period, employment in the County expanded from 173,658 to 180,008, an increase of 3.7%[1].

[1] Source: US Census Bureau http://www.census.gov/quickfacts/table/BZA010214/34005,00

Health Care

There are six (6) outstanding medical facilities located in the County. These include the world famous Deborah Heart and Lung Center; Virtua Health Systems in Mount Holly, Marlton and Moorestown; Rancocas Hospital in Willingboro, which is affiliated with the Lourdes Health System; and Hampton Hospital in Westampton.

Labor Contracts

There are four (4) CWA Local #1036 units representing County employees: (1) the Main Unit; (2) the Supervisory Unit; (3) the Superintendent of Elections; and (4) the Prosecutor's Office Clerical Unit. Between March and June of 2013, the County entered into Collective Negotiations Agreements with each of these Units, covering the time period of January 1, 2011 through December 31, 2013. In March 2015, the County approved the execution of a Memorandum of Agreement with the CWA Local #1036, Main Unit, Supervisory Unit and Superintendent of Elections covering the time period of January 1, 2014 through December 31, 2015. On December 9, 2015, the Board of Chosen Freeholders approved the execution of Collective Negotiations Agreements between the County and CWA Local #1036, Main Unit, Supervisory Unit and Superintendent of Elections covering the time period of January 14, 2014 through December 31, 2015. On December 9, 2015, a Memorandum of Agreement between the County and CWA Local #1036, Prosecutor's Office Clerical Unit was approved for the period of January 1, 2014 through December 31, 2015. This Memorandum of Agreement was also ratified by the members of CWA Local #1036, Prosecutor's Office Clerical Unit. Negotiations for a successor Collective Negotiations Agreement are ongoing.

PBA Local #249 represents County corrections officers and superior corrections officers. The County received an interest arbitration award on November 26, 2012 for the corrections officers' unit covering the period of January 1, 2012 through December 31, 2014. Pursuant to State law, the terms of the award have been implemented. The contract with the superior corrections officers expired on December 31, 2011. The County reached a Memorandum of Agreement with the superior corrections officers bargaining unit which was ratified by both the Board of Chosen Freeholders of the County and respective unit members. Negotiations for a successor Collective Negotiations Agreement with the Corrections Officers unit are ongoing. Negotiations with the Superior Officers unit have not yet commenced.

All County Sheriffs' Officers are represented by FOP Lodge #166. In September 2013, the parties received an interest arbitration award that covers the time period of January 1, 2009 through December 31, 2011 and, in October 2013, the parties memorialized the arbitration award in a Collective Negotiations Agreement. The County approved a successor Collective Negotiations Agreement in December, 2014, covering the time period of January 1, 2012 through December 31, 2017. The Collective Negotiations Agreement was executed on February 20, 2015.

On March 23, 2016, a Collective Negotiations Agreement between the Board of Chosen Freeholders and PBA Local #320, Detectives and Investigators was approved for the period of January 1, 2014 through December 31, 2016. This Collective Negotiations Agreement was also ratified by the members of PBA Local #320, Detectives and Investigators.

On December 9, 2015, a Memorandum of Understanding between the Board of Chosen Freeholders and PBA Local #320, Sergeants and Lieutenants was approved for the period of January 1, 2011 through December 31, 2016. This Memorandum of Understanding was also ratified by the members of PBA Local #320, Sergeants and Lieutenants. Negotiations for a successor Collective Negotiations Agreement are ongoing. In October 2016, the parties executed a Collective Negotiations Agreement covering the time period of January 1, 2014 through December 31, 2016.

The Assistant Prosecutors Association was formed in 2010 and the parties were engaged in negotiations for over two (2) years for an initial contract. On June 12, 2013, the County approved a form of contract with this Unit that covers the time period of January 1, 2010 through December 31, 2013. The Collective Negotiations Agreement was executed on June 26, 2013. In November, 2014, the parties executed a successor agreement covering the time period January 1, 2014 through December 31, 2016. Negotiations for a successor Collective Negotiations Agreement are Ongoing.

Accumulated Vacation and Sick Pay

Under the existing policies of the County, employees upon retirement will receive one-half of the accumulated unused sick leave to a maximum of $15,000. Unused accumulated vacation is paid for at straight time.

As of December 31, 2016, the accumulated cost of unused sick and vacation time has been calculated as $6,722,548.16, but has not been recorded in the financial statements. These charges are paid when an employee leaves the employment of the County from a dedicated reserve account. This reserve account is replenished each year from monies appropriated in the annual budget.

Pension Costs

Those County employees who are eligible for pension coverage are enrolled in one of three pension systems established by acts of the State Legislature. Benefits, contributions, means of the funding and the manner of administration are determined by the State.

County Employees

As of December 31, 2016, the County employed 1,255 full-time employees and 169 part-time employees.

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TWENTY LARGEST TAXPAYERS[1]

The following is a list of the 20 largest taxpayers located within the County and their 2015 assessed valuations:

Name	Type of Business	Assessed Valuation
Whitesell Enterprises	Real Estate/Construction	$379,038,300
Rouse-Moorestown, Inc.	Moorestown Mall	127,080,100
Davis & Associates	Real Estate/Hotel	121,774,800
Brandywine Operating Partnership	Real Estate	104,989,600
Eastgate Center	Real Estate	96,414,100
Deerfield Associates	Apartments	88,361,200
East Coast Apartments	Apartments	83,322,800
TD Bank	Financial Institution	74,136,000
Verizon	Public Utility	69,085,772
Mack-Cali Realty Corporation	Real Estate	63,201,400
P.S.E.&G.	Public Utility	62,895,700
Maplewood III, LLC	Apartments	58,554,500
The Estaugh	Senior Citizen Housing	58,270,400
Lockheed Martin	Defense Contractor	51,082,500
Centerton Square	Real estate	48,718,700
CVS Pharmacy	Pharmaceuticals	48,308,000
1900 River Road, LLC	Office/Warehouse	40,561,800
Berk & Berk at Hunters Glen, LLC	Apartments	40,415,500
N.A.D.E.	Automotive	38,270,600
Mt. Laurel Crossing, LLC	Apartments	38,018,400

TEN LARGEST PRIVATE EMPLOYERS[2]

Virtua Memorial Hospital	5,473
TD Bank	3,726
Lockheed Martin	3,543
Burlington Stores (Coat Factory)	2,565
Viking Yacht Co. Corp.	1,586
CVS Corporation	1,573
PHH Mortgage	1,302
Automotive Resources International (ARI)	1,210
Deborah Heart and Lung Center	1,103
Eickhoff ShopRites	1,026

By comparison, the County employed 1,255 full-time employees as of December 31, 2016

[1] Source: Burlington County Board of Taxation.
[2] Source: Burlington County Bridge Commission Department of Economic Development and Regional Planning – 2017.

2017 COUNTY BUDGET[1]

CURRENT FUND

ANTICIPATED REVENUES:	
Fund Balance	$6,040,000.00
Miscellaneous Revenues	36,548,791.00
Amount to be Raised by Taxation – County Purpose	155,470,000.00
TOTAL ANTICIPATED REVENUES	$198,058,791.00
APPROPRIATIONS:	
Operations	$150,022,590.00
Debt Service	32,468,340.00
Deferred Charges & Statutory Expenditures	15,567,861.00
TOTAL APPROPRIATIONS	$198,058,791.00

SOLID WASTE UTILITY

ANTICIPATED REVENUES:	
Fund Balance	$5,688,691.68
Miscellaneous Revenues:	
Sludge Disposal Fees	2,475,000.00
Solid Waste Fees[*]	22,425,000.00
Miscellaneous	1,215,215.30
TOTAL ANTICIPATED REVENUES	$31,803,906.98
APPROPRIATIONS:	
Operating	$19,517,354.00
Debt Service	9,292,730.00
Deferred Charges and Statutory Expenditures	2,993,822.98
TOTAL APPROPRIATIONS	$31,803,906.98

[*] Solid waste tipping fees for 2017 are currently being billed at $80.61 per ton (consisting of the base rate of $72.72 per ton, Recycling Enhancement Tax of $3.00 per ton, Host Community Benefit fees of $3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of $1.50 per ton, and County solid waste enforcement fee of $0.33 per ton) and assumes 2016 solid waste tonnages, without solid waste "flow control". See "SOLID WASTE FLOW CONTROL" herein for a discussion of the re-institution of solid waste "flow control" in the County as of June 15, 2012.

[1] The 2017 County Budget was adopted on July 12, 2017.

CAPITAL PROGRAM[1]
PROJECTS FOR THE YEARS 2017-2022

	ESTIMATED TOTAL COST	BOND AND NOTES GENERAL	GRANTS IN AID AND OTHER FUNDING	FUTURE YEARS
Design, construction, reconstruction and resurfacing of various roadways, bridges and drainage systems, including acquisition of various right-of-way easements therefore, within the County and improvements to various traffic signal systems within the County	$238,300,650	$34,460,000	$22,913,100	$180,927,550
Acquisition of minor capital equipment for various County departments	9,942,680	7,390,000		2,552,680
Renovations and Improvements to the Juvenile Detention Facility and CWRC	2,750,000	500,000		2,250,000
Acquisition of Vehicles for Various County Departments	11,339,600	2,100,000		9,239,600
Renovations and Improvements to the Human Services Building	2,000,000	2,000,000		-
Renovations and Improvements and Remediation at Various County Facilities	24,336,000	15,550,000		8,786,000
TOTALS	$288,668,930	$62,000,000	$22,913,100	$203,755,830

[1] The 2017-2022 County Capital Program was adopted on July 12, 2017.

TAX COLLECTIONS[1]

YEAR	TAX LEVY	COLLECTED AMOUNT	YEAR OF LEVY PERCENTAGE
2016	$155,500,000.00	$155,500,000.00	100%
2015	155,523,014.00	155,523,014.00	100%
2014	152,523,014.00	152,523,014.00	100%
2013	153,082,777.83	153,082,777.83	100%
2012	148,049,819.00	148,049,819.00	100%
2011	154,250,000.00	154,250,000.00	100%

EQUALIZED VALUATIONS ON WHICH COUNTY TAXES ARE APPROPRIATED AND ANNUAL COUNTY TAX RATE

YEAR	EQUALIZED VALUATIONS	COUNTY TAX RATE[2]
2016	$46,537,864,890	0.3360
2015	$45,775,613,439	0.3413
2014	45,777,005,659	0.3354
2013	46,329,111,779	0.3341
2012	48,206,959,031	0.3091
2011	50,005,099,970	0.3096

COUNTY OPEN SPACE, RECREATION, AND FARMLAND AND HISTORIC PRESERVATION TRUST FUND

YEAR	TAX RATE[2]
2016	0.0400
2015	0.0400
2014	0.0150
2013	0.0150
2012	0.0400
2011	0.0400

COUNTY LIBRARY TAX

The County has a County Library for which there is a separate county library tax rate based upon equalized valuations for those constituent municipalities that participate.

YEAR	COUNTY LIBRARY TAX RATE[3]
2016	0.0312
2015	0.0317
2014	0.0308
2013	0.0302
2012	0.0291
2011	0.0293

[1] County taxes are levied and collected directly from the constituent municipalities.
[2] Per $100 of equalized valuation.
[3] Excludes the Townships of Moorestown, Mount Laurel and Willingboro, which operate their own libraries from their municipal budgets.

COUNTY OF BURLINGTON, NEW JERSEY
2016 REAL PROPERTY CLASSIFICATION

VACANT	$542,561,300	1.26%
RESIDENTIAL	33,752,264,825	78.19
FARM	520,567,539	1.21
COMMERCIAL	5,625,557,512	13.03
INDUSTRIAL	1,492,953,012	3.46
APARTMENTS	1,235,458,550	2.86
TOTAL[1]	$43,169,362,738	100.00%

FIVE YEAR COMPARISON
REAL PROPERTY CLASSIFICATION

	2012	2013	2014	2015	2016
VACANT	$ 589,256,500	$ 558,566,960	$ 579,022,450	$ 546,872,420	$ 542,561,300
RESIDENTIAL	33,344,354,747	32,666,054,147	33,408,876,262	33,448,862,807	33,752,264,825
FARM	580,500,255	562,261,807	540,411,604	529,598,244	520,567,539
COMMERCIAL	5,324,136,405	5,235,997,822	5,862,422,382	5,824,277,412	5,625,557,512
INDUSTRIAL	1,517,321,023	1,414,711,023	1,506,113,623	1,497,314,612	1,492,953,012
APARTMENTS	1,174,677,950	1,146,220,550	1,211,644,450	1,214,841,550	1,235,458,550
TOTAL[1]	$42,530,246,880	$41,583,812,309	$43,108,490,771	$43,061,767,045	$43,169,362,738

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[1] Does not include taxable value of machinery, etc., of Telephone, Telegraph and Messenger System Companies.

STATEMENT OF EQUALIZED VALUATIONS
FOR CONSTITUENT MUNICIPALITIES

	2016			2015			2014		
	Equalized Value-Land and Improvements	Equalized Valuation on Which County Taxes are Apportioned	Per-centage (1)	Equalized Value-Land and Improvements	Equalized Valuation on Which County Taxes are Apportioned	Per-centage (1)	Equalized Value-Land and Improvements	Equalized Valuation on Which County Taxes are Apportioned	Per-centage (1)
Bass River Township	$170,483,000	$190,269,922	0.41%	$159,113,790	$177,090,274	0.39%	$160,759,601	$176,983,552	0.39%
Beverly City	120,348,200	117,741,157	0.25%	119,964,000	113,492,888	0.25%	121,033,423	117,961,711	0.26%
Bordentown City	331,157,100	339,858,515	0.73%	333,656,606	356,200,013	0.78%	338,871,933	348,002,787	0.76%
Bordentown Township	1,156,887,862	1,296,216,501	2.79%	1,159,654,679	1,307,744,435	2.86%	1,177,714,026	1,305,555,102	2.85%
Burlington City	628,160,600	651,053,946	1.40%	630,266,300	659,360,579	1.44%	635,439,610	636,874,099	1.39%
Burlington Township	2,243,604,957	2,521,626,938	5.42%	2,192,554,551	2,293,204,680	5.01%	2,209,715,236	2,241,817,759	4.90%
Chesterfield Township	746,281,700	744,392,758	1.60%	730,924,803	729,679,569	1.59%	724,377,407	709,845,894	1.55%
Cinnaminson Township	1,605,926,100	1,801,221,799	3.87%	1,594,967,472	1,753,305,792	3.83%	1,591,367,241	1,736,176,256	3.79%
Delanco Township	393,669,100	423,670,883	0.91%	391,641,394	423,688,729	0.93%	392,036,500	416,394,770	0.91%
Delran Township	1,403,166,692	1,501,077,722	3.23%	1,399,747,792	1,538,686,754	3.36%	1,403,370,633	1,556,849,076	3.40%
Eastampton Township	428,323,700	454,684,509	0.98%	428,042,701	465,975,489	1.02%	428,423,586	473,952,326	1.04%
Edgewater Park Township	595,612,900	535,568,359	1.15%	604,096,000	583,599,733	1.27%	608,503,020	654,847,299	1.43%
Evesham Township	5,202,168,931	5,217,975,982	11.21%	5,221,728,920	5,137,560,602	11.22%	5,196,459,478	5,047,116,559	11.03%
Fieldsboro Borough	52,721,100	50,544,415	0.11%	53,083,927	48,871,862	0.11%	56,132,471	51,971,077	0.11%
Florence Township	1,246,035,100	1,196,012,460	2.57%	1,257,944,541	1,165,611,174	2.55%	1,271,538,445	1,207,951,318	2.64%
Hainesport Township	760,786,600	801,527,067	1.72%	761,053,271	780,920,684	1.71%	762,750,681	780,765,445	1.71%
Lumberton Township	1,391,295,993	1,325,005,976	2.85%	1,391,372,996	1,349,818,549	2.95%	1,396,460,946	1,349,322,042	2.95%
Mansfield Township	983,279,900	1,201,640,486	2.58%	953,750,426	1,132,466,963	2.47%	951,355,510	1,130,517,781	2.47%
Maple Shade Township	1,282,778,800	1,415,073,933	3.04%	1,294,374,032	1,431,769,335	3.13%	1,296,656,400	1,534,967,517	3.35%
Medford Township	2,980,269,200	3,278,863,014	7.05%	2,972,790,205	3,128,816,643	6.84%	2,970,853,153	3,145,328,147	6.87%
Medford Lakes Borough	449,451,500	450,141,350	0.97%	450,102,534	456,160,836	1.00%	450,478,663	460,648,829	1.01%
Moorestown Township	4,010,412,400	4,782,077,915	10.28%	3,972,812,386	4,680,281,660	10.22%	3,941,183,000	4,286,254,866	9.36%
Mount Holly Township	652,601,500	595,356,898	1.28%	646,720,773	595,346,901	1.30%	650,202,657	596,263,126	1.30%
Mount Laurel Township	5,773,518,400	6,293,131,625	13.52%	5,790,653,194	6,156,453,923	13.45%	5,786,157,100	6,395,426,411	13.97%
New Hanover Township	60,841,800	82,638,973	0.18%	60,508,768	80,362,839	0.18%	62,026,574	70,439,357	0.15%
North Hanover Township	424,369,303	420,863,296	0.90%	422,232,797	402,532,175	0.88%	420,203,797	410,445,398	0.90%
Palmyra Borough	478,067,800	517,425,175	1.11%	478,745,221	542,714,144	1.19%	479,413,048	532,700,762	1.16%
Pemberton Borough	102,986,200	111,093,089	0.24%	64,341,100	115,140,316	0.25%	64,880,124	113,811,512	0.25%
Pemberton Township	882,670,735	1,454,842,682	3.13%	884,792,871	1,458,915,651	3.19%	885,654,630	1,483,929,960	3.24%
Riverside Township	438,314,350	424,345,644	0.91%	439,090,250	423,780,750	0.93%	444,648,262	433,814,119	0.95%
Riverton Borough	242,229,300	263,576,762	0.57%	241,817,400	255,483,001	0.56%	241,818,548	257,409,225	0.56%
Shamong Township	662,337,300	696,748,862	1.50%	663,723,231	710,855,608	1.55%	663,739,219	697,344,083	1.52%
Southampton Township	995,642,900	1,087,854,735	2.34%	997,652,324	1,078,910,814	2.36%	998,205,573	1,081,686,129	2.36%
Springfield Township	383,696,840	401,868,515	0.86%	386,308,823	391,454,551	0.86%	391,255,670	402,201,912	0.88%
Tabernacle Township	659,565,200	696,833,739	1.50%	660,302,094	706,133,339	1.54%	663,059,703	698,645,267	1.53%
Washington Township	95,951,700	93,224,871	0.20%	96,350,955	97,297,599	0.21%	96,142,541	96,996,621	0.21%
Westampton Township	1,153,495,800	1,170,562,416	2.52%	1,146,278,979	1,091,864,932	2.39%	1,176,955,207	1,165,838,789	2.55%
Willingboro Township	1,870,579,900	1,754,858,163	3.77%	1,877,469,900	1,777,756,320	3.88%	1,877,738,674	1,794,270,588	3.92%
Woodland Township	159,486,100	141,681,141	0.30%	162,435,300	140,637,097	0.31%	166,705,823	135,919,196	0.30%
Wrightstown Borough	25,947,500	34,712,697	0.07%	26,219,850	35,666,236	0.08%	26,290,850	39,758,992	0.09%
	$43,245,124,063	$46,537,864,890	100.00%	$43,119,287,156	$45,775,613,439	100.00%	$43,180,578,963	$45,777,005,659	100.00%

Source: County Abstract of Ratables

(1) Represents portion of County taxes levied on constituent municipalities.

CERTAIN PROVISIONS OF THE LAWS OF NEW JERSEY RELATING TO COUNTY FINANCIAL OPERATIONS

Annual Audit (*N.J.S.A.* 40A:5-4)

Since 1917, every county of the State must be audited annually by a Registered Municipal Accountant of the State. The annual audit, conforming to the Division of Local Government Services "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the county and the Director of the Division of Local Government Services in the State Department of Community Affairs ("Director") prior to June 30 of each year unless extensions are granted.

The New Jersey State Board of Accountancy regulates Registered Municipal Accountants.

Annual Financial Statement (*N.J.S.A.* 40A:5-12)

An Annual Financial Statement must be filed with the Director and is due by January 26 of the succeeding year. The Financial Statement is prepared by the Chief Financial Officer for the County. It reflects the results of operations of the year of the Current Fund and Solid Waste Utility Fund. If there is a cash deficit in the fund it must be included in full in the succeeding year's budget.

Local Budget Law (*N.J.S.A.* 40A:4-1 *et seq.*)

In 1939, the State enacted a law requiring every county to adopt the annual budget on a "cash basis". Every budget, after approval by the local unit, must be certified by the Director before final adoption.

The statute requires each county to appropriate funds for annual debt service, and the Director is required to review the adequacy of these appropriations.

The Director is also required to review each budget to be certain that no revenues are anticipated in excess of the cash realized in the prior year. Any deviation must be approved by the Director. A Reserve For Uncollected Taxes (hereinafter defined) must be included in the budget predicated upon the close of the fiscal year December 31.

Revenue

The County derives its revenue from State and Federal Aid, departmental fees and tax levy on real property. The primary source of revenue is the County taxes, which are apportioned among the constituent municipalities in proportion to their share of equalized, assessed valuation.

The municipalities in the County make quarterly payments of the County taxes on February 15, May 15, August 15 and November 15 of each year.

Cap Law (*N.J.S.A.* 40A:4-45.4)

A statute passed in 1976, as amended (*N.J.S.A.* 40A:4-45.1 *et seq*.), commonly known as the "Cap Law", imposed limitations on increases in local unit appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c.89, which revised and made permanent the "Cap Law". Since its inception, the "Cap Law" has been amended and modified several times, most recently on July 13, 2010. While the revised "Cap Law" is more restrictive on the ability of a local unit to increase its overall appropriations, it does not limit the obligation of the local unit to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the local unit to pay debt service on the bonds and notes. The Cap Law provides that a local unit shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c.44, was adopted on July 13, 2010, which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (*N.J.S.A.* 52:14-17.25 *et seq*.), as annually determined by the Division of Pensions and Benefits in the State Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A.* 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the County to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the County to pay debt service on its bonds or notes.

Miscellaneous Revenues (*N.J.S.A.* 40A:4-26)

The Local Budget Law provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit".

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof with the exception of inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation.

Real Estate Taxes

The same general principal that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. *N.J.S.A.* 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year".

Section 41 of the Local Budget Law provides with regard to the current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by December 31, of such preceding fiscal year".

Section 40 of the Local Budget Law requires that an additional amount ("Reserve For Uncollected Taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will be at least equal to the tax levy required to balance the budget.

Deferral of Current Expenses

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the Board.

Such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the previous year's adopted operating budget, consent of the Director must be obtained.

Budget Transfers (*N.J.S.A.* 40A:4-58)

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the year and, although sub-accounts within an appropriation are not subject to the same year-end transfer restrictions, they are subject to internal review and approval.

Capital Budget (*N.J.S.A.* 40A:4-43 through 40A:4-45)

The Local Finance Board in the Division of Local Government Services in the State Department of Community Affairs ("Local Finance Board") has required every local unit to prepare and to adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. Every local unit which adopts a capital budget shall also adopt a capital program not to exceed six years in length.

Related Constitutional and Statutory Provisions

In the general election of November 2, 1976, as amended by the general election of November 6, 1984, the following Article 8, Section 1, Paragraph 7, with respect to a state income tax, was added to the State Constitution:

> No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a tax so levied on personal incomes be levied on payments received under the federal Social Security Act, the federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

A progressive state income tax is currently in effect in the State.

The State Constitution may only be amended after (i) approval of a proposed amendment by three-fifths of all of the members of each house of the Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all the members of each house and approval by a majority vote in a statewide referendum. Amendments failing to receive voter approval may not be resubmitted for voter approval before the third succeeding general election after such disapproval.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of bonds and notes issued by the County are subject to the provisions of Chapter 9 of the Federal Bankruptcy Code of the United States ("Bankruptcy Code"). In general, Chapter 9 permits, under prescribed circumstances, but only after an authorization by the applicable state legislature or by a government officer or organization empowered by state law to give such authorization, a political subdivision of a state to file a petition for relief in a bankruptcy court of the United States if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts.

The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the State Municipal Finance Commission Act. This Act provides that such petitions may not be filed without the prior approval of the Municipal

Finance Commission ("Commission") and that no plan or readjustment of the municipality's debts may be filed or accepted by the petitioner without express authority from the Commission to do so. See "COUNTY INDEBTEDNESS - The Municipal Finance Commission" herein.

The above references to the Bankruptcy Code are not to be construed as an indication that the County expects to resort to the provisions of the Bankruptcy Code or that, if it did, such action would be approved by the Commission, or that any proposed plan would include a dilution of the source of payment of and security for the bonds and notes issued by the County.

The summaries of and references to the State Constitution and other statutory provisions above are not and should not be construed as comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein.

COUNTY INDEBTEDNESS

Local Bond Law (*N.J.S.A.* 40A:2-1 *et seq.*)

The Local Bond Law governs the issuance of bonds and notes by the County to finance certain capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded, that bonds be retired in serial installments and that cash down payments equal to at least five percent of the bond authorization be generally provided.

Debt Limitation (*N.J.S.A.* 40A:2-6)

The authorized bond indebtedness of the County is limited by statute, subject to the exceptions as noted below, to an amount equal to two percent of its equalized valuation basis. The equalized valuation basis of the County is set by statute as the average for the last three years of the sum total of the equalized value of all taxable real property and improvements and the assessed valuation of certain Class II railroad property within its boundaries as annually determined by the Director of the Division of Taxation in the State Department of the Treasury. The County is within its two percent debt limit. See "DEBT RATIOS AND VALUATIONS" herein.

Exceptions to Debt Limit-Extensions of Credit (*N.J.S.A.* 40A:2-7)

The debt limit of the County may be exceeded with the approval of the Local Finance Board, a State regulatory agency. If all or any part of a proposed debt authorization would exceed its debt limit, the County must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the ability of the County to meet its obligations or to provide essential services or make other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Local Finance Board to fund certain notes and for self-liquidating purposes and in each fiscal year in an amount not exceeding two-thirds of the amounts budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for assessments and utility purposes).

Short Term Financing (*N.J.S.A.* 40A:2-8)

The County may issue bond anticipation notes to temporarily finance capital improvements. Bond anticipation notes, which are full faith and credit obligations of the County, may be issued for a period not exceeding one year. They may be renewed for additional periods not exceeding one year. However, all such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes.

The Municipal Finance Commission (*N.J.S.A.* 52:27-1 *et seq.*)

The Municipal Finance Commission ("Commission") was created in 1931 to assist in the financial rehabilitation of municipalities, which had defaulted in their obligations. The powers of the Commission are exercised today by the Local Finance Board. The previously discussed elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the "Municipal Finance Commission Statutes" are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the State's Superior Court. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations causes the Commission to become operative in that municipality.

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

The Local Finance Board also serves as the "Funding Commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such Funding Commission for the proposed reorganization of its debt.

Debt of Rowan College at Burlington County (Formerly Burlington County College), the Burlington County Institute of Technology and the Burlington County Special Services School District

The County College, BCIT (County vocational school) and Burlington County Special Services School District are not permitted to issue debt obligations. Instead, the County itself must issue debt for County College projects in accordance with *N.J.S.A.* 18A:64A-19 *et seq.*, which generally requires compliance with the Local Bond Law except that no down payment is required. The County itself must also issue debt for BCIT projects in accordance with *N.J.S.A.* 18A:54-31 and for Burlington County Special Services School District projects in accordance with *N.J.S.A.* 18A:46-42 each of which, likewise, generally require compliance with the Local Bond Law except that debt limitations and down payment requirements contained in the Local Bond Law do not apply.

SOLID WASTE UTILITY

The County owns and operates the Burlington County Resource Recovery Complex located in the Townships of Florence and Mansfield, New Jersey ("Complex") which provides solid waste processing and disposal services in accordance with the New Jersey Solid Waste Management Act, constituting Chapter 39 of the Pamphlet Laws of 1970 of the State of New Jersey, as amended and supplemented, and the regulations promulgated thereunder (collectively, the "Solid Waste Management Act"). The Complex consists of two sanitary landfills (respectively, "Landfill No. 1" and "Landfill No. 2"), processing and storage facilities for bulky waste and recyclables, a scale house, a research greenhouse, a hazardous waste facility for household and small quantity generator waste, a leachate/wastewater treatment facility, maintenance facilities, a co-composting facility, and a methane gas electric generating facility. Pursuant to *N.J.S.A.* 13:1E-27, the Complex is deemed a public utility ("Utility") and subject to the jurisdiction of the New Jersey Department of Environmental Protection ("NJDEP"). Authority for the economic regulation of the solid waste industry was formally vested with the Board of Public Utilities. By order dated February 1, 1989, the State Board of Public Utilities issued a Certificate of Public Convenience and Necessity and awarded a solid waste disposal franchise to the Board for Waste Types 10, 13, 23, 25 and 27.

Between February 1989 and December 1999, solid waste was deposited in the 54-acre Landfill No. 1. Landfill No. 1 was capped and closed in February 2003. In November 1997, the County received approval from the NJDEP to construct Landfill No. 2, consisting of 69 acres and containing 26 sections ranging in size from 2 to 4.2 acres. Landfill No. 2 was designed to be constructed in five (5) phases and began accepting solid waste in August 1999. The County completed construction of Phases 1 through 5 (sections 1-26) in December 2013. In addition, the County has begun construction of Phase 6, which is a horizontal expansion of Landfill No. 2 to provide for the County's waste disposal needs through the year 2027. Upon completion of this Phase 6 preliminary engineering and design work, the County submitted a permit application for Phase 6 with the NJDEP in October 2014.

The finances of the Complex are governed pursuant to the County Solid Waste Disposal Financing Law, *N.J.S.A.* 40:66A-31.1 *et seq*. As a solid waste Utility, the Complex is deemed to be a self-liquidating purpose if the cash receipts from fees, rents or other charges in a fiscal year are sufficient to meet operating and maintenance costs and interest and debt redemption charges payable in such year without recourse to general taxation.

The Utility is supported by revenues generated by the operation of the Complex. A separate budget is established for the Utility. The anticipation of revenues and appropriations for the Utility is set forth in such separate budget, which is required to be balanced and to fully provide for debt service. See "2016 COUNTY BUDGET - SOLID WASTE UTILITY" herein. The State budget regulations for local governments, including the County, regarding anticipation of revenue and deferral of charges apply equally to the budget of the Utility. Deficits or anticipated deficits in Utility operations, which cannot be provided for from the Utility surplus, if any, are required to be raised in the "current" or operating budget of the local government. See "CERTAIN PROVISIONS OF THE LAWS OF NEW JERSEY RELATING TO COUNTY FINANCIAL OPERATIONS" herein for a description of the budgeting process for counties and municipalities in the State. The debt obligations issued by the County incident to the Complex are general obligations of the County, payable ultimately from *ad valorem* taxes levied upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount to the extent payment is not otherwise provided from the Utility.

SOLID WASTE FLOW CONTROL

Pursuant to the Solid Waste Management Act, a County-wide solid waste management system has been implemented by the County in accordance with the Burlington County District Solid Waste Management Plan ("County Plan"). The County Plan was approved by the NJDEP on December 13, 1979. Landfill No. 1 opened in February 1989 and the County directed solid waste generated from within the County to Landfill No. 1 pursuant to the State of New Jersey's waste flow control system.

On May 16, 1994, the Supreme Court of the United States held that certain "flow control" legislation was unconstitutional in the case of C & A Carbone v. Clarkstown, 128 L.Ed. 2d 399 (1994). The County-wide solid waste management system was determined to be unconstitutional based upon the decision in Atlantic Coast Demolition & Recycling, Inc. v. Board of Chosen Freeholders of Atlantic County, 112 F.3d 652 (3d Cir. 1997). In response thereto, the County made certain amendments to its solid waste management system in accordance with the findings of the federal courts in the *Atlantic Coast* case and the requirements of the Solid Waste Management Act and related statutes. The first County Plan Amendment occurred in September 1997 ("Amendment 97-1"). Amendment 97-1 set forth a plan for the County to procure voluntary service contracts for the disposal of solid waste with municipalities, solid waste haulers and waste generators to ensure sufficient revenues to meet its financial obligations at the Complex. Currently, the County has executed solid waste delivery agreements with thirty-seven out of forty of its constituent municipalities for waste processing and disposal services and recycling collection services through December 31, 2016 or later.

On April 30, 2007, the Supreme Court of the United States held that a waste flow control ordinance that directed waste to a facility owned and operated by a public entity was not unconstitutional under the decision in United Haulers Association v. Oneida Herkimer Solid Waste Management Authority, 550 U.S. 330 (2007). As a result of the U.S. Supreme Court's decision, on December 14, 2011, the Board of Chosen Freeholders of the County adopted a further amendment to the County Plan ("Amendment 11-3") which was similar in its effect to the ordinance upheld in the Oneida Herkimer case. Amendment 11-3 was approved by Order of the NJDEP Commissioner dated June 15, 2012. Amendment 11-3 designates the Complex as the designated solid waste (flow control) disposal facility for solid waste types 10, 23 and 25 generated by any residential, public, commercial, industrial or institutional establishment located within the County and continues the County's policy of not accepting out-of-County waste for disposal at Landfill No. 2 but continuing to permit delivery of out-of-County recyclables to the recycling and co-composting facilities at the Complex.

The Complex processed 324,068.94 tons of solid waste in 2016 for which 2016 solid waste tipping fees were assessed and paid and Utility was self-liquidating. The County's 2016 solid waste tipping fee was $79.18 per ton (consisting of the base rate of $71.29 per ton, Recycling Enhancement Tax of $3.00 per ton, Host Community Benefit fees of $3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of $1.50 per ton, and County solid waste enforcement fee of $0.33 per ton). The County's 2017 solid waste tipping fee is $80.61 per ton (consisting of the base rate of $72.72 per ton, Recycling Enhancement Tax of $3.00 per ton, Host Community Benefit fees of $3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of $1.50 per ton, and County solid waste enforcement fee of $0.33 per ton).

OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST

On November 5, 1996 and November 3, 1998, pursuant to P.L. 1997, c. 24 (*N.J.S.A.* 40:12-15.1 *et seq*.), the voters of the County authorized the establishment of the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 1997. For the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland or open space, the County proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation for fifteen years. The revenue raised by the first cent is devoted to the acquisition of farmlands for farmland preservation. The revenue raised by the second cent is devoted to any of the purposes of the law. Amounts raised by taxation are apportioned by the County Board of Taxation among the constituent municipalities in accordance with *N.J.S.A.* 54:4-9 and are assessed, levied and collected in the same manner and at the same time as other County taxes. In November 1998, the County increased the levy by two cents to four cents per one hundred dollars of equalized valuation until 2018. In the general election in November 2006, the voters of the County authorized extending the sunset provisions until 2035. Future changes to the tax rate or levy must be authorized by referendum. All revenues received are accounted for in a Trust Fund dedicated by rider (*N.J.S.A.* 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund. The amount of the tax levy is set annually by resolution adopted by the Board of Chosen Freeholders of the County. In 2016, the Board of Chosen Freeholders of the County adopted a resolution to maintain the levy at four cents ($0.04) per one hundred dollars of equalized valuation.

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COUNTY OF BURLINGTON, NEW JERSEY
STATEMENT OF INDEBTEDNESS

As of September 15, 2017

BONDS AND NOTES ISSUED:			
Serial Bonds Issued:			
General	$164,377,988		
Vocational School	7,535,775		
Special Services School District	8,448,579		
County College	26,125,658		
		$206,488,000	
Solid Waste Utility		68,115,000	
Burlington County Bridge Commission		196,669,000	
			$471,272,000
Bond Anticipation Notes Issued:			
General Improvement		66,300,000	
Solid Waste Utility		0	
Burlington County Bridge Commission		126,800,000	
			193,100,000
Loans Payable:			
Green Acres		594,044	
Environmental Infrastructure Trust		4,280,132	
Wastewater Trust / NJDEP		0	
			4,874,176
Serial Bonds - Authorized but not Issued:			
General	$53,311,770		
County College	3,800,216		
Vocational School	0		
Special Services School	109,443		
		$57,221,429	
Solid Waste Utility		3,570,310	
			60,791,739
TOTAL GROSS DEBT:			730,037,915
Applicable Deductions from Gross Debt:			
Funds on Hand	$1,415,512		
Accounts Receivable from Other Public Authorities	9,145,000		
Investments for IPAs	18,545,474		
		$29,105,986	
Solid Waste Utility		71,685,310	
Burlington County Bridge Commission		323,469,000	
			424,260,296
TOTAL NET DEBT:			$305,777,620

SOLID WASTE UTILITY FUND
DEDUCTIONS APPLICABLE TO BONDS AND NOTES
FOR SELF-LIQUIDATING PURPOSES

As of September 15, 2017

Solid Waste Utility System	
(a) Gross Solid Waste Utility System Debt	$71,685,310
(b) Less: Deficit (Capitalized at 5%)	$0
(c) Deduction	$71,685,310
(d) Plus: Cash on Hand to Pay Bonds and Notes included in above	$0
(e) Total Deduction	$71,685,310

DEBT RATIOS AND VALUATIONS

As of September 15, 2017

Average of Equalized Valuation of Real Property With Improvements and Second Class Railroad Property for 2014, 2015 and 2016.	$46,049,674,354
Statutory Net Debt as a Percentage of the Average of Equalized Valuation of Real Property for 2014, 2015 and 2016.	0.66%
2016 Net Valuation Taxable.	$43,225,702,732
2016 Total Value of Land and Improvements.	$43,169,362,738
2016 Equalized Valuation of Real Property With Improvements and Second Class Railroad Property	$46,309,424,625
Gross Debt(1)	
As a Percentage of 2016 Net Valuation Taxable	1.69%
As a Percentage of 2016 Equalized Valuation	1.58%
Net Debt	
As a Percentage of 2016 Net Valuation Taxable	0.71%
As a Percentage of 2016 Equalized Valuation	0.66%
Gross Debt per Capita(2)	$1,626.88
Net Debt per Capita(1)	$681.42

BORROWING CAPACITY

As of September 15, 2017

Statutory Borrowing Power	
2% of Average (2014-2016) Equalized Valuation of Real Property With Improvements and Second Class Railroad Property ($46,049,674,354)	$920,993,487
Net Debt	$305,777,620
Remaining Borrowing Power Available Under *N.J.S.A.* 40A:2-6	$615,215,867

(1) Excluding Overlapping Debt.
(2) Based on 2010 Census Population – See "GENERAL INFORMATION REGARDING THE COUNTY - Population" herein.

SCHEDULE OF COUNTY DEBT SERVICE
(BONDED DEBT AND LOANS)

As of September 15, 2017

	Principal Outstanding by Purpose						**Total**		
Year	General [1]	College	Vocational School	Special Services School Bonds	Open Space [2]	Solid Waste Utility	Principal	Interest	Principal and Interest
2017	4,273,000	-	711,000	-	117,737	3,570,000	8,671,737	2,478,626	11,150,363
2018	16,194,090	3,101,852	1,467,941	842,468	2,136,131	6,255,000	29,997,441	9,212,580	39,210,021
2019	16,191,390	3,280,311	1,815,154	993,454	1,885,297	6,575,000	30,740,608	7,980,850	38,721,457
2020	13,690,312	3,504,055	1,049,746	999,198	1,834,157	6,800,000	27,877,468	6,885,970	34,763,438
2021	13,812,074	1,943,617	1,044,604	1,003,016	1,790,387	7,045,000	26,638,698	5,996,291	32,634,989
2022	13,927,653	1,974,814	1,046,760	1,009,083	1,840,496	7,240,000	27,038,807	5,111,344	32,150,151
2023	8,511,551	2,026,515	88,534	651,711	1,895,606	7,370,000	20,543,917	4,187,324	24,731,240
2024	8,624,693	2,079,851	89,460	659,307	1,950,719	7,510,000	20,914,030	3,495,227	24,409,257
2025	8,739,695	2,134,508	90,463	667,644	2,017,902	5,070,000	18,720,213	2,765,343	21,485,556
2026	6,006,889	2,156,992	42,829	356,601	2,085,000	5,240,000	15,888,311	2,140,961	18,029,272
2027	6,108,611	1,434,291	43,987	366,422	2,160,000	5,440,000	15,553,311	1,653,311	17,206,622
2028	6,212,581	1,483,226	45,298	377,205	2,250,000	-	10,368,311	1,192,169	11,560,479
2029	4,136,649	188,649	-	98,012	2,345,000	-	6,768,311	924,263	7,692,573
2030	1,892,476	194,686	-	101,149	2,445,000	-	4,633,311	727,503	5,360,814
2031	1,943,303	200,723	-	104,285	2,555,000	-	4,803,311	553,525	5,356,836
2032	1,991,056	207,263	-	107,683	2,670,000	-	4,976,001	365,088	5,341,089
2033	1,943,952	214,305	-	111,342	2,790,000	-	5,059,599	169,050	5,228,649
2034	94,599	-	-	-	-	-	94,599	3,600	98,199
2035	94,599	-	-	-	-	-	94,599	2,400	96,999
2036	94,599	-	-	-	-	-	94,599	1,200	95,799
	$134,483,732	$26,125,658	$7,535,775	$8,448,579	$34,768,432	$68,115,000	$279,477,176	$55,846,625	$335,323,801

(1) Includes New Jersey Environmental Infrastructure Trust, Series 2014A and Series 2016A and does not include General Obligation Bonds, Series 2013C (Open Space)
(2) Includes New Jersey Environmental Infrastructure Trust, Series 2004A, Green Acres Loans and General Obligation Bonds, Series 2013C (Open Space)

STATEMENT OF DEBT OF CONSTITUENT MUNICIPALITIES(1)

As of December 31, 2015, Except Where Otherwise Noted

	Gross Debt			Statutory Deductions(3)					Percent
		Self-			Self-		Net	Equalized	of Net
	School	Liquidating	Other	School	Liquidating	Other	Debt	Valuation	Debt(4)
Bass River Township	$435,094	-	$452,828	$435,094	-		$452,828	$176,082,149	0.26%
Beverley City	1,031,000	-	1,053,105	1,031,000	-	57,645	995,460	116,184,067	0.86%
Bordentown City	8,155,707	$10,039,826	2,281,956	8,155,707	$10,039,826	6,854	2,275,102	349,212,216	0.65%
Bordentown Township	-	-	23,075,405		-	2,962,162	20,113,243	1,294,977,976	1.55%
Burlington City	1,715,000	8,268,093	10,032,455	1,715,000	8,268,093	-	10,032,455	647,292,654	1.55%
Burlington Township	23,395,000	15,043,852	14,975,061	23,395,000	15,043,852	97,807	14,877,254	2,338,326,442	0.64%
Chesterfield Township	41,558,773	-	8,424,721	22,333,861	-	625,580	27,024,053	718,203,523	3.76%
Cinnaminson Township	42,178,000	-	16,587,084	42,178,000	-	-	16,587,084	1,743,618,010	0.95%
Delanco Township	5,455,000	-	2,760,492	5,455,000	-	-	2,760,492	416,149,135	0.66%
Delran Township	26,483,000	3,104,735	16,414,680	26,483,000	3,104,735	-	16,414,680	1,527,404,009	1.07%
Eastampton Township	10,498,578	-	7,210,554	10,498,578	-	-	7,210,554	461,834,727	1.56%
Edgewater Park Township	16,408,208	-	6,340,988	16,408,208	-	270,038	6,070,950	592,162,068	1.03%
Evesham Township	37,998,894	7,916,856	44,855,083	37,998,894	7,916,856	-	44,855,083	5,115,002,097	0.88%
Fieldsboro Borough	1,144,189	77,000	317,039	1,144,189	-	-	394,039	49,010,425	0.80%
Florence Township	23,990,000	6,787,000	17,955,263	23,990,000	6,787,000	1,386,500	16,568,763	1,160,154,453	1.43%
Hainesport Township	9,351,342	-	6,170,475	9,351,342	-	1,541,425	4,629,050	783,893,999	0.59%
Lumberton Township	14,308,901	-	6,030,855	14,308,901	-	-	6,030,855	1,343,083,672	0.45%
Mansfield Township (2)	12,854,739	270,000	16,441,050	12,854,739	270,000	293,939	16,147,111	1,137,930,586	1.42%
Maple Shade Township	17,495,000	30,932,095	24,640,254	17,495,000	30,932,095	155,959	24,484,295	1,457,402,571	1.68%
Medford Township	32,343,397	28,296,972	25,936,220	32,343,397	28,296,972	-	25,936,220	3,171,527,117	0.82%
Medford Lakes Borough (2)	4,318,699	820,895	7,255,780	4,318,699	820,895	5,283,733	1,972,047	455,471,839	0.43%
Moorestown Township	64,395,000	11,916,595	38,762,457	64,395,000	11,916,595	416,964	38,345,493	4,514,242,555	0.85%
Mount Holly Township	21,892,000	-	16,904,993	21,892,000	-	-	16,904,993	586,713,124	2.88%
Mount Laurel Township	38,714,568	-	57,400,986	38,714,568	-	3,820,067	53,580,919	6,281,361,674	0.85%
New Hanover Township	-	-	81,006	-	-	-	81,006	77,581,174	0.10%
North Hanover Township	2,484,054	-	4,801,570	2,484,054	-	-	4,801,570	407,432,954	1.18%
Palmyra Borough	11,220,000	5,716,178	11,530,798	11,220,000	5,548,413	911,422	10,787,140	530,233,709	2.03%
Pemberton Borough	-	1,143,940	433,457	-	1,143,940	-	433,457	113,768,551	0.38%
Pemberton Township	-	4,790,975	27,393,374	-	4,790,975	-	27,393,374	1,461,928,896	1.87%
Riverside Township	5,100,000	-	6,214,050	5,100,000	-	10,790	6,203,260	423,372,470	1.47%
Riverton Borough	130,000	-	2,016,300	130,000	-	-	2,016,300	258,125,369	0.78%
Shamong Township	6,182,571	-	680,517	6,182,571	-	-	680,517	706,673,350	0.10%
Southampton Township	10,134,582	765,400	8,810,491	10,134,582	765,400	-	8,810,491	1,080,580,044	0.82%
Springfield Township	2,425,390	-	8,140,000	2,425,390	-		8,140,000	397,810,874	2.05%
Tabernacle Township	7,865,443	-	10,405,529	7,865,443	-	18,627	10,386,902	701,453,926	1.48%
Washington Township	-	-	-	-	-	-	-	99,129,049	0.00%
Westhampton Township	8,346,351	-	6,827,841	8,346,351	-	2,358,841	4,469,000	1,144,448,095	0.39%
Willingboro Township	24,035,000	-	51,392,446	24,035,000	-	-	51,392,446	1,772,135,774	2.90%
Woodland Township	531,892	-	425,000	531,892	-	-	425,000	141,301,218	0.30%
Wrightstown Borough (2)	-	-	1,188,250	-	-	3,933	1,184,317	36,609,650	3.23%
	534,575,373	135,890,411	512,620,411	515,350,461	135,645,647	20,222,285	511,867,803	45,789,826,192	1.12%

(1) Source: New Jersey Department of Community Affairs website, except where otherwise noted

(2) Source: 2015 Audited Financial Statement

(3) Statutory Deductions are used to determine the municipal borrowing capacity under state law and are not intended to indicate that the debt is payable from a source other than the local property tax.

(4) The debt limitation of municipalities under N.J.S. 40A:2.6 is 3 1/2% of its average equalized valuation.

APPENDIX B

FINANCIAL STATEMENTS OF THE COUNTY

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Director and
Members of the County Board of Chosen Freeholders
County of Burlington
Mount Holly, New Jersey 08060

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Burlington, State of New Jersey, as of December 31, 2016, 2015, 2014, 2013 and 2012, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County of Burlington, State of New Jersey, as of December 31, 2016, 2015, 2014, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Burlington, State of New Jersey, as of December 31, 2016, 2015, 2014, 2013 and 2012, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Henry J. Ludwigsen

Henry J. Ludwigsen
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 30, 2017

COUNTY OF BURLINGTON
CURRENT FUND
Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
Assets	**2016**	**2015**	**2014**	**2013**	**2012**
Regular Fund:					
Cash	$ 32,912,182	$ 32,312,908	$ 37,931,991	$ 43,735,961	$ 29,424,517
Receivables with Full Reserves:					
Revenue Accounts Receivable	44,787	38,059	39,094	4,999	32,074
Accounts Receivable--Other	190,436	410,463	386,902	1,064,707	894,607
Interfunds Receivable			3,236	516,146	
Total Regular Fund	33,147,405	32,761,430	38,361,223	45,321,813	30,351,198
Federal and State Grant Fund:					
Cash	1,128,619	497,350	1,339,969	5,690,771	5,509,126
Accounts Receivable:					
Federal and State Funds	13,375,633	14,986,362	16,120,772	18,671,968	15,990,973
Interfunds Receivable	7,717	536,787	203,117	147,350	402,310
Total Federal and State Grant Fund	14,511,969	16,020,498	17,663,858	24,510,089	21,902,409
	$ 47,659,374	$ 48,781,928	$ 56,025,081	$ 69,831,902	$ 52,253,607

(Continued)

COUNTY OF BURLINGTON

CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
Liabilities, Reserves and Fund Balance	**2016**	**2015**	**2014**	**2013**	**2012**
Regular Fund:					
Liabilities					
Appropriation Reserves	$ 10,861,403	$ 10,352,998	$ 8,056,405	$ 10,021,501	$ 6,533,537
Reserve for Encumbrances	1,900,805	1,788,381	4,351,324	2,121,578	3,231,646
Other Payables	431,211	462,079	463,776	41,664	923,065
Interfund Loans Payable	2,250,663	1,548,512	11,089,747	17,581,437	8,612,306
Due to Tenants	65,000				
Reserves for:					
Other Reserves	54,698	52,078	52,078	52,960	69,056
Total Liabilities	15,563,781	14,204,048	24,013,331	29,819,140	19,369,610
Reserve for Receivables	235,223	448,522	429,231	1,585,852	926,681
Fund Balance	17,348,401	18,108,860	13,918,661	13,916,821	10,054,907
Total Regular Fund	33,147,405	32,761,430	38,361,223	45,321,813	30,351,198
Federal and State Grant Fund:					
Federal and State Funds:					
Unappropriated	32,650	48,714	421,879	112,801	145,061
Appropriated	10,514,000	14,020,802	11,744,066	19,567,682	16,979,566
Interfund Loans Payable			3,236	925,131	506,145
Reserve for Encumbrances	3,965,319	1,950,983	5,494,677	3,904,475	4,271,637
Total Federal and State Grant Fund	14,511,969	16,020,498	17,663,858	24,510,089	21,902,409
	$ 47,659,374	$ 48,781,928	$ 56,025,081	$ 69,831,902	$ 52,253,607

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF BURLINGTON

CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis

	For the Years Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Revenue Realized:					
Current Tax Collections	$ 155,500,000	$ 155,523,014	$ 152,523,014	$ 153,082,778	$ 148,049,819
Miscellaneous Revenue Anticipated	49,387,470	45,601,109	42,368,635	52,817,220	67,285,642
Non Budget Revenue	760,404	1,348,256	1,410,843	1,170,462	732,956
Other Credits to Income	2,840,065	3,957,714	2,417,313	1,200,464	1,905,265
Fund Balance Utilized	6,040,000	2,390,000	2,392,782		
Total Income	214,527,938	208,820,093	201,112,586	208,270,924	217,973,681
Expenditures and Encumbrances:					
Operations	161,898,580	155,126,793	152,412,469	158,221,893	167,521,963
Capital Improvements					312,000
Debt Service	32,185,625	31,911,469	30,598,988	28,539,937	28,870,700
Deferred Charges and Statutory Expenditures	15,156,475	15,177,539	15,489,706	16,066,327	17,215,390
Other Expenditures	7,717	530			
Creation of Reserves		23,562	216,802	1,580,853	1,270,884
Total Expenditures and Encumbrances	209,248,397	202,239,894	198,717,964	204,409,010	215,190,936
Excess in Revenue	5,279,541	6,580,199	2,394,622	3,861,914	2,782,745
Fund Balance, January 1	18,108,860	13,918,661	13,916,821	10,054,907	7,272,162
	23,388,401	20,498,860	16,311,443	13,916,821	10,054,907
Decreased by:					
Utilized as Revenue	6,040,000	2,390,000	2,392,782		
Fund Balance, December 31	$ 17,348,401	$ 18,108,860	$ 13,918,661	$ 13,916,821	$ 10,054,907

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF BURLINGTON

TRUST FUND

Statements of Assets, Liabilities, and Reserves -- Regulatory Basis

	As of December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Assets					
Trust Fund:					
Cash	$ 44,530,574	$ 42,873,850	$ 31,631,359	$ 19,716,349	$ 61,126,664
Interfunds Receivable	7,549,558	10,410,591	20,191,995	48,219,871	14,404,319
Other Accounts Receivable	25,475,463	25,232,700	25,010,019	24,627,605	24,546,439
	$ 77,555,596	$ 78,517,141	$ 76,833,373	$ 92,563,825	$ 100,077,422
Liabilities and Reserves					
Trust Fund:					
Other Accounts Payable				$ 258,708	$ 258,708
Interfund Loans Payable					131,179
Reserve for Special Funds and Receivables	$ 77,555,596	$ 78,517,141	$ 76,833,373	92,305,117	99,687,536
	$ 77,555,596	$ 78,517,141	$ 76,833,373	$ 92,563,825	$ 100,077,422

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF BURLINGTON
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Assets					
Cash and Investments	$ 39,533,684	$ 18,893,609	$ 18,581,542	$ 18,507,999	$ 18,814,678
Due from Bank			85	85	85
Due from State of New Jersey					3,016,189
Due from Trustee for Leases	84,180,538	109,256,436	131,191,289	106,000,000	
Interfunds Receivable				1,210,818	1,609,998
Grants Receivable	29,381,082	37,717,590	20,511,377	893,119	3,200,000
Deferred Charges to Future Taxation:					
Funded	203,504,645	217,664,263	208,889,907	218,430,824	158,705,187
Unfunded	142,501,078	94,296,138	125,924,985	126,807,706	208,186,359
Amounts to be Provided for Retirement of Obligations Under Capital Leases	190,197,900	196,307,900	179,851,900	143,330,000	40,616,000
	$ 689,298,926	$ 674,135,936	$ 684,951,086	$ 615,180,551	$ 434,148,496
Liabilities, Reserves and Fund Balance					
Serial Bonds	$ 198,023,001	$ 213,199,005	$ 203,774,006	$ 215,570,006	$ 155,342,006
Obligation Under Capital Leases	190,197,900	196,307,900	179,851,900	143,330,000	40,616,000
Bond Anticipation Notes	64,074,000	29,225,584	56,140,348	30,815,426	107,933,166
Loans Payable	4,771,030	3,524,954	3,950,432	1,474,621	1,760,605
State of New Jersey--Green Acres Loans	710,614	940,304	1,165,469	1,386,197	1,602,575
Improvement Authorizations:					
Funded	6,512,492	8,108,998	22,005,137	2,547,143	1,987,419
Unfunded	50,622,798	15,639,241	17,104,571	18,835,404	28,481,286
Lease Authorization	77,702,001	107,254,566	92,920,308	82,788,864	
Capital Improvement Fund	172,848	500,348	500,348	500,348	500,348
Contracts Payable	23,107,955	20,032,520	23,967,677	12,688,953	20,137,209
Due to State of New Jersey	209,293	209,293	209,378	209,378	209,378
Interfunds Payable	5,318,337	9,410,591	10,162,998	32,264,075	7,898,777
Reserve for Payment of Capital Leases	2,960,878	2,804,494	6,093,708	5,393,499	
Reserve for Payment of Bonds and Notes	1,818,267	2,922,953	2,976,789	2,479,009	1,498,525
Installment Purchase Agreement Notes	44,201,000	45,137,000	45,383,000	46,384,997	47,097,141
Reserve to Pay I.P.A. Note Principal	18,545,474	18,545,474	18,389,194	18,389,194	18,389,194
Fund Balance	351,039	372,711	355,823	123,437	694,865
	$ 689,298,926	$ 674,135,936	$ 684,951,086	$ 615,180,551	$ 434,148,496

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF BURLINGTON
SOLID WASTE UTILITY FUND
Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
Assets	**2016**	**2015**	**2014**	**2013**	**2012**
Operating Fund:					
Cash and Investments	$ 27,218,442	$ 23,442,088	$ 20,932,209	$ 23,245,115	$ 22,217,644
Interfunds Receivable	3,974,088	3,974,088	7,086,200	5,743,590	3,771,521
	31,192,531	27,416,176	28,018,409	28,988,705	25,989,165
Receivables with Full Reserves:					
Consumer Accounts Receivable	2,587,927	2,465,036	2,477,667	2,433,078	3,035,999
Total Operating Fund	33,780,457	29,881,212	30,496,077	31,421,783	29,025,164
Capital Fund:					
Cash and Investments	12,473,652	5,628,803	4,511,328	520,328	640,329
Fixed Capital	206,127,272	199,227,272	30,769,210	30,769,210	30,769,210
Fixed Capital Authorized and Uncompleted	55,565,000	62,465,000	224,043,000	221,543,000	217,243,000
Amount to be Provided for Retirement of Obligations Under Capital Leases	29,789,000	32,395,000	34,390,000	36,385,000	39,671,000
Interfunds Receivable					520,000
Due from TD Bank, N.A. Trustee for BCBC	642,236	850,103	850,103	2,372,282	3,754,577
Total Capital Fund	304,597,160	300,566,178	294,563,641	291,589,820	292,598,116
	$ 338,377,617	$ 330,447,390	$ 325,059,718	$ 323,011,603	$ 321,623,280

(Continued)

COUNTY OF BURLINGTON

SOLID WASTE UTILITY FUND

Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
Liabilities, Reserves and Fund Balance	**2016**	**2015**	**2014**	**2013**	**2012**
Operating Fund:					
Appropriation Reserves	$ 1,264,412	$ 1,004,615	$ 857,176	$ 1,005,985	$ 1,011,763
Reserve for Encumbrances	3,700,614	3,343,835	3,372,062	3,140,282	2,050,220
Accrued Interest on Bonds	658,071	516,099	468,335	424,550	433,853
Prepaid Deposits	120,805	170,028	155,426	146,925	143,764
Interfunds Payable				241,383	241,383
Reserves for:					
State of New Jersey Sanitary Landfill Taxes Payable	13,415	13,606	13,395	12,728	12,296
County Health Inspection Taxes Payable	8,854	8,980	8,840	8,401	17,437
Host Benefit Fees & Recycling Tax Payable	598,333	576,599	590,070	819,658	718,044
Hazardous Waste Facility	64,972	64,972	64,972	64,972	64,972
Equipment Replacement	706,548	721,827	736,395	813,414	822,892
Landfill Closure Trust Fund	16,894,821	16,353,604	15,832,017	15,446,359	15,020,425
Recycling Tax Payable	206,475	216,630	213,234		
Estimated Arbitrage Earnings on Tax- Exempt Obligations	100,000	100,000	100,000	100,000	100,000
State Grants			19,819	77,257	362,031
Self Insurance	500,000	500,000	500,000	500,000	500,000
	24,837,320	23,590,793	22,931,741	22,801,914	21,499,080
Reserve for Receivables	2,587,927	2,465,036	2,477,667	2,433,078	3,035,999
Fund Balance	6,355,210	3,825,383	5,086,668	6,186,791	4,490,085
Total Operating Fund	33,780,457	29,881,212	30,496,077	31,421,783	29,025,164
Capital Fund:					
Serial Bonds	39,090,000	42,535,000	45,881,000	49,163,000	54,415,000
Bond Anticipation Notes	29,026,000	24,443,400	18,693,400		
Loans Payable		2,021,092	3,970,355	5,855,350	8,081,712
Obligations Under Solid Waste Leases	29,789,000	32,395,000	34,390,000	36,385,000	39,671,000
Interfund Loans Payable	3,974,088	3,974,088	6,561,088	5,158,852	3,330,082
Improvement Authorizations	2,141,974	8,995,048	3,400,821	18,621,378	17,175,683
Statement of Lease Authorizations	776,948	1,050,191	976,211	1,573,240	3,121,158
Contracts Payable	859,396	2,198,046	3,063,841	2,428,745	1,769,384
Capital Improvement Fund	47,000	47,000	47,000	47,000	47,000
Reserves for:					
Amortization	173,903,321	169,398,321	30,769,210	30,769,210	30,769,210
Deferred Amortization	13,479,218	12,268,126	145,601,974	140,434,979	132,956,617
Reserve to pay Bonds, Notes and Leases	11,138,682	875,203	1,093,403	1,153,066	1,261,270
Fund Balance	371,534	365,663	115,338		
Total Capital Fund	304,597,160	300,566,178	294,563,641	291,589,820	292,598,116
	$ 338,377,617	$ 330,447,390	$ 325,059,718	$ 323,011,603	$ 321,623,280

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF BURLINGTON
SOLID WASTE UTILITY FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis

	For the Years Ended December 31,				
	2016	2015	2014	2013	2012
Revenue Realized:					
Fund Balance Realized	$ 3,549,660	$ 5,086,000	$ 4,114,139	$ 4,490,000	$ 5,521,156
Solid Waste Utility Fees	23,517,982	22,378,118	22,200,623	22,292,932	18,151,107
Sludge Disposal & Household Hazardous Waste Fees	2,534,609	2,623,389	2,465,186	2,669,992	2,460,783
Miscellaneous Revenue Anticipated	4,427,413	2,530,026	2,290,618	2,081,166	2,257,286
Solid Waste Capital Fund Balance					15
Other Credits to Income:					
Unexpended Balance of Appropriation Reserves	1,367,095	1,190,883	1,301,123	1,486,303	1,399,714
Total Income	35,396,759	33,808,415	32,371,689	33,020,393	29,790,061
Expenditures and Encumbrances:					
Operating	17,402,061	18,479,494	17,927,239	17,840,890	15,900,243
Debt Service	11,339,892	11,173,522	11,106,234	8,687,797	9,104,993
Deferred Charges and Statutory Expenditures	575,319	330,684	324,200	305,000	295,000
Total Expenditures	29,317,272	29,983,700	29,357,673	26,833,687	25,300,236
Excess in Revenue	6,079,487	3,824,715	3,014,016	6,186,706	4,489,825
Fund Balance, Jan. 1	3,825,383	5,086,668	6,186,791	4,490,085	5,521,416
	9,904,870	8,911,383	9,200,807	10,676,791	10,011,241
Utilized as Revenue	3,549,660	5,086,000	4,114,139	4,490,000	5,521,156
Fund Balance, Dec. 31	$ 6,355,210	$ 3,825,383	$ 5,086,668	$ 6,186,791	$ 4,490,085

The accompanying Notes to Financial Statements are an integral part of this statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The County of Burlington (hereafter referred to as the "County") was incorporated in 1694. It is located in South Central New Jersey and is, in area, the largest county of the state, covering 827 square miles. Mt. Holly, the County seat, is approximately 25 miles from downtown Philadelphia and is approximately 90 miles from New York City.

The County's geographic makeup consists of fifty-four percent forest space, twenty-five percent farmland space, seventeen percent communities and four percent federally owned land. The New Jersey Turnpike travels through the center of the County and there are many major transportation arteries. There are twenty-six active industrial / office parks located throughout the County and their tenants are representatives of the major industries located in the United States.

The County has forty political subdivisions, consisting of three cities, thirty-one townships and six boroughs. The population of the County of according to the 2016 census estimate is 449,284.

The County government operates under a five member Board of Chosen Freeholders, elected at-large by the voters of the County. A Freeholder, under old English rule, was a person who owned property outright, free of debt, and therefore was deemed to be a leading citizen, eligible for membership on the governing body. Under present form of government, the property rule as a qualification for holding office has been abolished. Each member is elected to a term of three years. A director and deputy director are selected from their membership at the first meeting of each year. The Freeholders have both administrative and policy-making powers.

Component Units - The financial statements of the component units of the County are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

Burlington County Library Commission
5 Pioneer Boulevard
Westampton, New Jersey 08060

Burlington County Bridge Commission
1300 State Highway Route 73 North
Palmyra, New Jersey 08065

Burlington County Board of Social Services
795 Woodlane Road
Westampton, New Jersey 08060

Burlington County Insurance Commission
49 Rancocas Road
Mount Holly, New Jersey 08060

Rowan College at Burlington County
Pemberton-Browns Mill Road
Pemberton, New Jersey 08068

Burlington County Institute of Technology
695 Woodlane Road
Westampton, New Jersey 08060

Burlington County Special Services School District
5 Pioneer Boulevard
Westampton, New Jersey 08060

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

<u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u> - The financial statements of the County contain all funds and account groups in accordance with the *Requirements of Audit* (*"Requirements"*) as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principle generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the *Requirements*, the County accounts for its financial transactions through the use of separate funds which are described as follows:

<u>Current Fund</u> - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

<u>Trust Funds</u> - The various trust funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

<u>General Capital Fund</u> - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

<u>Solid Waste Utility Operating and Capital Funds</u> - The solid waste utility operating and capital funds account for the operations and acquisition of capital facilities of the County owned Resource Recovery Complex operations.

<u>Bond and Interest Account</u> - The bond and interest account is used to account for the accumulation of resources (mainly provided from current fund budget appropriations) for payment of principal and interest on matured debt.

<u>General Fixed Asset Group of Accounts</u> - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

<u>Budgets and Budgetary Accounting</u> - The County must adopt an annual budget for its current, open space/farmland/parks trust and solid waste utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual county budget no later than January 26 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the county. The public hearing must not be held less than eighteen days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the county budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the County's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A: 5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the County requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of $5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the County's basic financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets (Cont'd) - The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements and contributed capital.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance - Fund Balances included in the current fund and solid waste utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants are realized when anticipated as such in the County's budget. Other amounts that are due to the County which are susceptible to accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

County Taxes – Every municipality within the County is responsible for levying, collecting and remitting county taxes for the County of Burlington. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations for every municipality are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations for every municipality are charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Library Taxes - The County is responsible for levying, collecting, and remitting library taxes for the Burlington County Library Commission.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is recorded on the accrual basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. Although the County does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the county in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2016, the County had bank balances of $145,406,512.49 that were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 144,413,519.51
Uninsured and Uncollateralized	992,992.98
Total	$ 145,406,512.49

Note 3: INVESTMENTS

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress; bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The County has no investment policy that would further limit its investment choices.

Note 3: INVESTMENTS (CONT'D)

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County has no investment policy to limit its exposure to custodial credit risk. As of December 31, 2016, the County's investments were exposed to custodial credit risk as follows:

Uninsured and unregistered, with securities held by the the counterparty's trust department or agent in the County's name	$ -
Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name	35,511,599.31
Total	$ 35,511,599.31

As of December 31, 2016, the County had the following investments:

Investment	Maturities		Cost	Fair Value
Money Market Funds	daily	daily	$ 53,712.93	$ 53,712.93
US Treasury Strips	60.78	months average	18,643,608.69	35,044,645.60
US Treasury Notes	47.56	months average	15,856,517.98	15,679,982.75
US Treasury Inflation Indexed Bonds	107.96	months average	497,622.11	485,272.18
FDG Corp Fed Book	33.93	months average	460,137.60	498,617.60
Total			$ 35,511,599.31	$ 51,762,231.06

The weighted average maturity of the County's investment portfolio was 55.10 months as of December 31, 2016.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County has no investment policy that would further limit its exposure to credit risk. As of December 31, 2016, the County's investments had the following ratings:

Investment	Standard & Poor's	Moody's
US Treasury Strips	AAA	Aaa
US Treasury Notes	AAA	Aaa
US Treasury Inflation Indexed Bonds	AAA	Aaa
FDG Corp Fed Book	AAA	Aaa

Note 3: <u>INVESTMENTS (CONT'D)</u>

<u>Concentration of Credit Risk</u> - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County's investment policies place no limit on the amount the County may invest in any one issuer. More than 5.0% of the County's investments are in US Treasury Strips and US Treasury Notes. These investments represent 97.15% of the County's total investments. These investments are reported in the general capital ($18,643,608.69) and utility operating ($16,867,990.62) funds.

<u>Fair Value Measurements of Investments</u> - The County categorizes its fair value disclosures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of December 31, 2016:

- All the County Investments of $35,511,599.31 are valued using quoted market prices (Level 1 inputs).

Note 4: <u>PROPERTY TAXES</u>

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

<u>Comparative Schedule of Tax Rates</u>

	Year Ended				
	2016	**2015**	**2014**	**2013**	**2012**
County Tax Rate	$ 0.336	$ 0.340	$ 0.330	$ 0.330	$ 0.310
County Library Tax Rate	$ 0.031	$ 0.031	$ 0.030	$ 0.030	$ 0.030
County Open Space, Recreation, Farmland and Historic Preservation Tax Rate	$ 0.040	$ 0.040	$ 0.015	$ 0.015	$ 0.040

<u>Assessed Valuation</u>

Year	**Amount**
2016	$ 46,537,864,890
2015	45,775,613,439
2014	45,777,005,659
2013	46,329,111,779
2012	48,206,959,031

Note 4: PROPERTY TAXES (CONT'D)

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (Cont'd):

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2016	$ 155,500,000	$ 155,500,000	100.00%
2015	155,523,014	155,523,014	100.00%
2014	152,523,014	152,523,014	100.00%
2013	153,082,778	153,082,778	100.00%
2012	148,049,819	148,049,819	100.00%

Note 5: SOLID WASTE UTILITY SERVICE CHARGES

The following is a five-year comparison of solid waste utility service charges for the current and previous four calendar years.

Year	Balance Beginning of Year Receivable	Levy	Total	Cash Collections
2016	$ 2,465,036	$ 26,175,482	$ 28,640,517	$ 26,052,591
2015	2,477,667	24,988,875	27,466,542	25,001,507
2014	2,433,078	24,710,399	27,143,477	24,665,809
2013	3,035,999	24,360,003	27,396,002	24,962,924
2012	2,167,767	21,598,258	23,766,025	20,730,026

Note 6: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year		Percentage of Fund Balance Used
2016	$ 17,348,401	$ 6,040,000	(A)	34.82%
2015	18,108,860	6,040,000		33.35%
2014	13,918,660	2,390,000		17.17%
2013	13,916,821	2,392,782		17.19%
2012	10,054,907	None		None

(A) = per 2017 Introduced Budget

Note 6: FUND BALANCES APPROPRIATED (CONT'D)

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets (Cont'd).

Solid Waste Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year		Percentage of Fund Balance Used
2016	$ 6,355,210	$ 5,688,692	(A)	89.51%
2015	3,825,383	3,549,660		92.79%
2014	5,086,668	5,086,000		99.99%
2013	6,186,791	4,114,139		66.50%
2012	4,490,085	4,490,000		100.00%

(A) = per 2017 Introduced Budget

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

Fund	Interfunds Receivable	Interfunds Payable
Current		$ 2,250,663
Federal and State Grant	$ 7,717	
Trust - Other	7,549,558	
General Capital		5,318,337
Solid Waste Utility - Operating	3,974,088	
Solid Waste Utility - Capital		3,974,088
Bond and Interest	11,725	
	$ 11,543,089	$ 11,543,089

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2017, the County expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the County's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several County employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
http://www.nj.gov/treasury/pensions

General Information about the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the County, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the County. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The County's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The County's contractually required contribution rate for the year ended December 31, 2016 was 13.31% of the County's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the County's contractually required contribution to the pension plan for the year ended December 31, 2016 is $5,662,332.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the County's contractually required contribution to the pension plan for the year ended December 31, 2015 was $5,327,289.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were $3,138,958.95.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - *Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The County's contractually required contribution rate for the year ended December 31, 2016 was 28.54% of the County's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the County's contractually required contribution to the pension plan for the year ended December 31, 2016 is $4,474,629.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the County's contractually required contribution to the pension plan for the year ended December 31, 2015 was $4,621,418.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were $1,584,886.16.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, for the year ended December 31, 2016 was 2.15% of the County's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2016 is $337,328.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2015 was $432,309.00, which was paid on April 1, 2016.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the County contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2016, employee contributions totaled $70,966.76, and the County's contributions were $38,686.53. There were no forfeitures during the year.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At December 31, 2016, the County's proportionate share of the PERS net pension liability was $188,771,634.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the County's proportion was .6373731119%, which was an increase of .0177277140% from its proportion measured as of June 30, 2015.

At December 31, 2016, the County's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is $14,872,266.00. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the County's contribution to PERS was $5,327,289.00, and was paid on April 1, 2016.

Police and Firemen's Retirement System - At December 31, 2016, the County's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

County's Proportionate Share of Net Pension Liability	$104,835,771.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	8,803,605.00
	$113,639,376.00

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the County's proportion was .5488048845%, which was a decrease of .0197395212% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the County, was .5488048845%, which was a decrease of .0197395212% from its proportion, on-behalf of the County, measured as of June 30, 2015.

At December 31, 2016, the County's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is $10,466,194.00. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the County's contribution to PFRS was $4,621,418.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the County, calculated by the plan as of the June 30, 2016 measurement date is $1,124,428.00. This on-behalf expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2016, the County had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	**PFRS**	**Total**	**PERS**	**PFRS**	**Total**
Differences between Expected and Actual Experience	$ 3,510,580.00	$ -	$ 3,510,580.00	$ -	$ 687,214.00	$ 687,214.00
Changes of Assumptions	39,103,399.00	14,520,616.00	53,624,015.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	7,198,034.00	7,345,631.00	14,543,665.00	-	-	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	2,889,023.00	236,279.00	3,125,302.00	13,102,397.00	3,316,453.00	16,418,850.00
County Contributions Subsequent to the Measurement Date	2,831,166.00	2,237,315.00	5,068,481.00	-	-	-
	$ 55,532,202.00	$ 24,339,841.00	$ 79,872,043.00	$ 13,102,397.00	$ 4,003,667.00	$ 17,106,064.00

$2,831,166.00 and $2,237,315.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the County's year end of December 31, 2016.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The County will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2017	$ 8,064,562.00	$ 4,318,855.00	$ 12,383,417.00
2018	8,064,562.00	4,318,855.00	12,383,417.00
2019	9,842,472.00	6,080,041.00	15,922,513.00
2020	9,792,482.00	3,499,429.00	13,291,911.00
2021	3,834,561.00	(118,321.00)	3,716,240.00
	$ 39,598,639.00	$ 18,098,859.00	$ 57,697,498.00

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation	3.08%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)

Sensitivity of County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the County's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
County's Proportionate Share of the Net Pension Liability	$231,317,607.00	$188,771,634.00	$153,646,247.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the County's annual required contribution. As such, the net pension liability as of June 30, 2016, the plans measurement date, for the County and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
County's Proportionate Share of the Net Pension Liability	$135,178,040.00	$104,835,771.00	$ 80,093,476.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	11,351,603.12	8,803,605.00	6,725,865.79
	$146,529,643.12	$113,639,376.00	$ 86,819,341.79

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the County's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Four Years)

	Measurement Date Ended June 30,			
	2016	**2015**	**2014**	**2013**
County's Proportion of the Net Pension Liability	0.6373731119%	0.6196453979%	0.6293211694%	0.7457988912%
County's Proportionate Share of the Net Pension Liability	$ 188,771,634.00	$ 139,097,975.00	$ 117,826,135.00	$ 142,536,987.00
County's Covered Payroll (Plan Measurement Period)	$ 43,318,252.00	$ 42,428,812.00	$ 43,421,180.00	$ 52,119,380.00
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	435.78%	327.84%	271.36%	273.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Schedule of the County's Contributions - Public Employees' Retirement System (PERS) (Last Four Years)

	Year Ended December 31,			
	2016	**2015**	**2014**	**2013**
County's Contractually Required Contribution	$ 5,662,332.00	$ 5,327,289.00	$ 5,188,033.00	$ 5,619,442.00
County's Contribution in Relation to the Contractually Required Contribution	(5,662,332.00)	(5,327,289.00)	(5,188,033.00)	(5,619,442.00)
County's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
County's Covered Payroll (Calendar Year)	$ 42,534,274.00	$ 43,281,555.00	$ 42,311,700.00	$ 43,120,866.00
County's Contributions as a Percentage of its Covered Payroll	13.31%	12.31%	12.26%	13.03%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of the County's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Four Years)

	Measurement Date Ended June 30,			
	2016	**2015**	**2014**	**2013**
County's Proportion of the Net Pension Liability	0.5488048845%	0.5685444057%	0.5686346694%	0.5803733767%
County's Proportionate Share of the Net Pension Liability	$ 104,835,771.00	$ 94,699,679.00	$ 71,528,967.00	$ 77,155,403.00
State's Proportionate Share of the Net Pension Liability associated with the County	8,803,605.00	8,304,844.00	7,702,467.00	7,191,821.00
Total	$ 113,639,376.00	$ 103,004,523.00	$ 79,231,434.00	$ 84,347,224.00
County's Covered Payroll (Plan Measurement Period)	$ 17,537,468.00	$ 17,912,496.00	$ 17,983,768.00	$ 18,121,556.00
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	597.78%	528.68%	397.74%	425.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Schedule of the County's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Years)

	Year Ended December 31,			
	2016	**2015**	**2014**	**2013**
County's Contractually Required Contribution	$ 4,474,629.00	$ 4,621,418.00	$ 4,367,507.00	$ 4,234,275.00
County's Contribution in Relation to the Contractually Required Contribution	(4,474,629.00)	(4,621,418.00)	(4,367,507.00)	(4,234,275.00)
County's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
County's Covered Payroll (Calendar Year)	$ 15,676,484.00	$ 17,235,855.00	$ 18,097,159.00	$ 18,048,239.00
County's Contributions as a Percentage of its Covered Payroll	28.54%	26.81%	24.13%	23.46%

Note 8: PENSION PLANS (CONT'D)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at $118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The County provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The County's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: 1) an employee who participates in the PERS pension plan and was hired before 7/1/2007 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 55, 2) an employee hired on or after 7/1/2007 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 60, 3) an employee hired on or after 11/2/2008 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 62, 4) an employee hired on or after 7/28/2011 is eligible for full benefits upon retirement provided they have completed 30 years of service and are at least age 65, 5) an employee who participates in the PFRS pension plan is eligible for benefits upon retirement provided they have completed 25 years of service. Years of service are calculated based upon elapsed time. The plan is administered by the County; therefore, premium payments are made directly to the insurance carriers.

Funding Policy - The contribution requirements of plan members and the County are established and may be amended by the County's governing body.

Retirees - The County presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and receives monthly contributions from retirees to offset a portion of the cost. The County's contributions to the plan for the years ended December 31, 2016, 2015, and 2014 were $1,926,857.76, $1,926,857.76, and $1,852,844.00, respectively.

Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Funding Policy (Cont'd) -

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the County is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be $13,111,499.00 at an unfunded discount rate of 4.5%. As stated previously, the County has funded the cost of existing retirees in the amount of $1,926,857.76, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2016, the County's annual OPEB cost (expense) of $11,723,605.98 for the plan was equal to the ARC plus certain adjustments because the County's actual contributions in prior years differed from the ARC. The County's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2016, 2015, and 2014 are as follows:

	2016	2015	2014
Annual Required Contribution (ARC)	$ 13,111,499.00	$ 13,111,499.00	$ 7,732,198.00
Interest on the Net OPEB Obligation	3,810,207.56	3,362,011.77	3,483,238.71
Adjustment to the ARC	(5,198,100.58)	(4,586,646.55)	(4,315,994.18)
Annual OPEB Cost	11,723,605.98	11,886,864.22	6,899,442.53
Pay-as-You Go Cost (Existing Retirees)	(1,926,857.76)	(1,926,857.76)	(1,852,844.00)
Increase (Decrease) in the Net OPEB Obligation	9,796,748.22	9,960,006.46	5,046,598.53
Net OPEB Obligation, January 1	84,671,379.10	74,711,372.64	69,664,774.11
Net OPEB Obligation, December 31	$ 94,468,127.32	$ 84,671,379.10	$ 74,711,372.64
Percentage of Annual OPEB Cost Contributed	16.4%	16.2%	26.9%

Funded Status and Funding Progress - The funded status of the plan as of the three past actuarial valuation dates is as follows:

	2015	2013	2011
Actuarial Accrued Liability (AAL)	$ 136,109,526.00	$ 71,960,419.00	$ 95,538,458.00
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 136,109,526.00	$ 71,960,419.00	$ 95,538,458.00
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	$ 53,803,000.00	$ 53,259,000.00	$ 69,756,000.00
UAAL as a Percentage of Covered Payroll	253.0%	135.1%	137.0%

Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Funded Status and Funding Progress (Cont'd) - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown on the previous page, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality*. RP 2000 Combined Healthy Male Mortality Rates set forward three years.
- *Turnover*. NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* Based on first eligibility after the completion of 30 years of service and age 65 if hired on or after 7/28/2011, age 62 and 25 years of service if hired on or after 11/2/2008, age 60 and 25 years of service for single if hired on or after 7/1/2007, and age 55 and 25 years of service for all others.
- *Full Attribution Period.* Service to assumed retirement age.
- *Annual Discount Rate*. Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Medical Trend*. 7.5% in 2015, reducing by .5% per annum, leveling at 5% per annum in 2020.
- *Medical Cost Aging Factor*. NJSHBP Medical Morbidity Rates.

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Note 10: COMPENSATED ABSENCES

Permanent full-time employees are entitled to fifteen paid sick leave days each year. Temporary employees are entitled to one sick day per month. Unused sick leave may be accumulated and carried forward to subsequent years. Employees earn vacation days in accordance with the number of years of service. Unused vacation days earned during the year may only be carried over to the subsequent year. Unused vacation days carried over from the previous year are forfeited.

Under existing policies of the County, upon retirement employees will receive one-half of the accumulated unused sick leave to a maximum of $15,000. Unused accumulated vacation is paid for at straight time.

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2016, it is calculated that accrued unused sick and vacation time payable are valued at $6,722,548.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2016, the balance of the fund was $21,981.90.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The County offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the County or its creditors. Since the County does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the County's financial statements.

Note 12: SANITARY LANDFILL ESCROW CLOSURE FUND

The County of Burlington Resource Recovery Complex is located in portions of Florence and Mansfield Townships. The County operates landfill cells, which are located in Mansfield Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to $1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection.

In September of 1999, the County began directing waste into Landfill No. 2. As of December 10, 1999, all solid waste delivered to the Complex is deposited in Landfill No. 2. Landfill No. 2 has a projected estimated net refuse volume of approximately 8,185,000 cubic yards and tonnage capacity of 6,138,752 tons with a projected life of 16.6 years.

During 2016, a total of 322,897 tons of solid waste was deposited in Landfill No. 2. Based on a conventional landfill development schedule and a waste loading rate of 330,000 tons per year at a compaction rate of 1,500 pounds of solid waste per cubic yard of airspace, Landfill No. 2 will reach final design capacity in 2018.

The escrow closure fund balance at year-end does not necessarily represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with the closure are not known.

Note 13: LEASE OBLIGATIONS

Capital Leases Payable - The County is leasing certain equipment and improvements under capital leases. All capital leases are for terms of ten to twenty years and interest rates ranging from 3.00% to 5.25%. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2016.

General Capital Fund		Amount
Year Ending December 31,		
2017	$	6,804,014
2018		6,683,690
2019		6,670,670
2020		6,654,150
2021		7,976,950
2022-2026		21,030,750
2027-2031		15,073,950
Total minimum lease payments		70,894,174
Less amount representing interest		16,539,174
Present value of net minimum lease payments		54,355,000
Notes Issued		74,775,000
Authorized but not Issued		61,067,900
	$	190,197,900

Solid Waste Capital Fund		Amount
Year Ending December 31,		
2017	$	3,383,530
2018		3,225,040
2019		2,756,130
2020		2,707,330
2021		2,528,650
2022-2026		20,600,450
2027-2030		5,045,250
Total minimum lease payments		40,246,380
Less amount representing interest		10,457,380
Present value of net minimum lease payments	$	29,789,000

Note 14: CAPITAL DEBT

General Debt – Serial Bonds

General Improvement Bonds, Series 2002A - On October 01, 2002, the County issued $45,300,000.00 of general improvement bonds with interest rates of 5.000%. The bonds were issued for the purpose of funding various capital projects in the County. The final maturity of the bonds is October 15, 2017.

Vocational School Bonds, Series 2003 - On November 20, 2003, the County issued $9,995,000.00 in Vocational School bonds with interest rates of 5.000%, The purpose of the bonds was to fund improvements at the County Vocational School. The final maturity of the bonds is December 1, 2019.

County College Bonds, Series 2007 - On June 13, 2007, the County issued $5,800,000.00 of County College bonds with interest rates ranging from 4.200% to 4.375%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2017.

General Obligation Bonds Series A 2007 – On August 29, 2007, the County issued $35,128,000.00 of General Obligation bonds with interest rates of 4.250%. The purpose of the bonds was to fund various capital projects in the County. In 2016, these bonds were refunded; the final maturity of the bonds is September 1, 2017.

General Obligation Bonds, Series B 2007 BCIT – On August 29, 2007, the County issued $7,500,000.00 with interest rates of 4.250%. The purpose of the bonds was to fund improvements at the County Vocational School. In 2016, these bonds were refunded; the final maturity of the bonds is September 1, 2017.

General Obligation Bonds, Series D 2007 SSSD – On August 29, 2007, the County issued $3,259,000.00 with interest rates of 4.250%. The purpose of the bonds was to fund improvements at the County Special Services School District. In 2016, these bonds were refunded; the final maturity of the bonds is September 1, 2017.

County College Bonds, Series 2008 - On June 25, 2008, the County issued $12,200,000.00 of County College bonds with interest rates ranging from 3.750% to 4.000%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 15, 2020.

General Improvement Bonds, Series 2008A - On September 2, 2008, the County issued $31,981,000.00 of general improvement bonds with interest rates ranging from 3.500% to 4.000%. The bonds were issued for the purpose of funding various capital projects in the County. In 2016, these bonds were refunded; the final maturity of the bonds is September 1, 2018.

Special Services Schools Bonds, Series 2008B – On September 2, 2008, the County issued $580,000.00 with interest rates of ranging from 3.500% to 4.000%. The purpose of the bonds was to fund improvements at the County Special Services School District. In 2016, these bonds were refunded; the final maturity of the bonds is September 1, 2018.

Vocational School Bonds, Series 2008B - On September 2, 2008, the County issued $2,715,000.00 in Vocational School bonds with interest rates ranging from 3.500% to 4.000%. The purpose of the bonds was to fund improvements at the County Vocational School. In 2016, these bonds were refunded; the final maturity of the bonds is September 1, 2018.

General Improvement Bonds, Series 2009 – On December 3, 2009, the County issued $32,475,000.00 of General Improvement bonds with interest rates ranging from 2.500% to 4.000%. The purpose of the purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is July 15, 2025.

Note 14: CAPITAL DEBT (CONT'D)

General Debt – Serial Bonds (Cont'd)

General Obligation Bonds, Series 2010 Federally Taxable – Issuer Subsidy – Recovery Zone Economic Development Bonds – On December 15, 2010, the County issued $15,629,000.00 of General Obligation bonds with interest rates ranging from 3.750% to 5.650%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is December 15, 2025.

County College Bonds, Series 2010 - On June 1, 2010, the County issued $2,353,000.00 of County College bonds with interest rates ranging from 3.000% to 3.250%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2020.

Refunding Bonds, Series 20011A, - On March 15, 2011, the County issued $22,091,000.00 with interest rates of 5.000%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of bonds is September 15, 2019.

General Obligation Bonds Series 2013A – On May 22, 2013, the County issued $36,912,000.00 of General Obligation bonds with interest rates ranging from 2.000% to 3.000%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is May 15, 2028.

General Obligation Bonds Series 2013B – On September 5, 2013, the County issued $40,204,000.00 of General Obligation bonds with interest rates ranging from 3.000% to 4.500%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is September 1, 2033.

Vocational School Bonds, Series 2014A1 - On December 1, 2013, the County issued $4,250,000.00 in Vocational School bonds with interest rates ranging from 3.000% to 5.000%. The purpose of the bonds was to fund improvements at the County Vocational School. The final maturity of the bonds is December 1, 2019.

County College Bonds - On June 25, 2014, the County issued $7,850,000.00 of County College bonds with interest rates ranging from 2.000% to 3.000%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2026.

General Obligation Bonds Series 2015A – On May 18, 2015, the County issued $30,673,000.00 of General Obligation bonds with interest rates ranging from 2.000% to 3.500%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is May 1, 2033.

General Obligation Refunding Bonds Series 2016A1 – On March 22, 2016, the County issued $30,345,000.00 of General Obligation Refunding Bonds with interest rates of 4%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is September 1, 2022.

Vocational and Special Services Schools Refunding Bonds, Series 2016A2 – On March 22, 2016, the County issued $1,145,000.00 Vocational and Special Services Schools Refunding Bonds with interest rates of 3%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is September 1, 2022.

County College Bonds - On June 29, 2016, the County issued $7,900,000.00 of County College bonds with interest rates ranging from 1% to 2%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2028.

Note 14: CAPITAL DEBT (CONT'D)

General Debt – Serial Bonds (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

Year	Principal	Interest	Total
2017	$ 21,594,001	$ 6,848,294	$ 28,442,295
2018	21,898,000	6,040,744	27,938,744
2019	20,962,000	5,271,548	26,233,548
2020	18,855,000	4,452,056	23,307,056
2021	17,410,000	3,855,695	21,265,695
2022-2026	59,109,000	11,760,159	70,869,159
2027-2031	28,545,000	4,534,041	33,079,041
2032-2033	9,650,000	519,125	10,169,125
	$ 198,023,001	$ 43,281,662	$ 241,304,663

General Debt – Green Acres Loans

The County entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the Township of Medford – Camp Ockanickon project. The final maturity of the loan is in 2017.

The County entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the Rancocas Greenway project. The final maturity of the loan is in 2020.

The County entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the Medfour Properties project. The final maturity of the loan is in 2025.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

Year	Principal	Interest	Total
2017	$ 234,307	$ 13,047	$ 247,354
2018	176,744	8,647	185,390
2019	180,296	5,094	185,390
2020	94,156	1,470	95,627
2021	5,387	475	5,863
2022-2025	19,723	797	20,520
	$ 710,614	$ 29,530	$ 740,144

Note 14: CAPITAL DEBT (CONT'D)

General Debt – New Jersey Environmental Infrastructure (EIT) Loans

The County entered into a loan agreement with the New Jersey Environmental Infrastructure Trust, at no interest, from the fund loan, and at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund farmland / open space preservation. Semiannual debt payments are due February 1st and August 1st through 2018.

On May 21, 2014, the County entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide $2,115,306.00, at no interest, from the fund loan, and $730,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund storm sewer rehab, vac truck, street sweeper projects. Semiannual debt payments are due February 1st and August 1st through 2033.

On November 12, 2015, the County entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide $1,270,447.00, at no interest, from the fund loan, and $410,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund storm water quality enhancement projects. Semiannual debt payments are due February 1st and August 1st through 2036.

The following schedule represents the remaining debt service, through maturity, for the New Jersey EIT loans:

Year	Principal	Interest	Total
2017	$ 490,898	$ 46,992	$ 537,889
2018	517,698	46,388	564,086
2019	223,311	39,938	263,248
2020	223,311	37,838	261,148
2021	228,311	35,588	263,898
2022-2026	1,176,553	138,988	1,315,540
2027-2031	1,241,553	79,938	1,321,490
2032-2036	669,397	22,213	691,610
	$ 4,771,030	$ 447,879	$ 5,218,909

Solid Waste Utility Debt – Serial Bonds

Taxable General Obligation Bonds - On March 31, 2008, the County issued $17,000,000.00 of bonds with interest rates ranging from 5.000% to 6.200%. The purpose of the bonds was to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is October 1, 2027.

General Obligation Bonds - On October 12, 2011, the County issued $10,675,000.00 of bonds with interest rates ranging from 2.25% to 4.00%. The purpose of the bonds was to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is June 1, 2027.

General Obligation Bonds (Refunding) - On March 11, 2013, the County issued $23,965,000.00 of refunding bonds with interest rates ranging from 3.00% to 5.00%. The purpose of the bonds was to refund bonds that were used to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is June 1, 2024.

Note 14: CAPITAL DEBT (CONT'D)

Solid Waste Utility Debt – Serial Bonds (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the Solid Waste Utility serial bonds:

Year	Principal	Interest	Total
2017	$ 3,570,000	$ 1,870,934	$ 5,440,934
2018	3,700,000	1,728,453	5,428,453
2019	3,875,000	1,555,097	5,430,097
2020	4,050,000	1,373,233	5,423,233
2021	4,240,000	1,182,759	5,422,759
2022-2026	17,445,000	2,870,206	20,315,206
2027	2,210,000	118,980	2,328,980
	$ 39,090,000	$ 10,699,662	$ 49,789,662

The following schedule represents the County's summary of debt for the current and two previous years:

	2016	2015	2014
Issued			
General:			
Bonds, Loans and Notes	$ 267,578,645	$ 246,889,847	$ 265,030,255
Sold Waste Utility:			
Bonds, Loans and Notes	68,116,000	68,999,492	68,544,755
Total Issued	335,694,645	315,889,339	333,575,010
Authorized but not Issued			
General:			
Bonds, Loans and Notes	78,427,078	65,070,554	69,784,637
Sold Waste Utility:			
Bonds, Loans and Notes	6,193,733	11,026,333	9,896,271
Total Authorized but not Issued	84,620,810	76,096,887	79,680,908
Total Issued and Authorized but not Issued	420,315,455	391,986,226	413,255,918
Deductions			
General:			
Accounts Receivable from Other Public Authorities for Payment of the Gross Debt	10,675,000	8,482,500	10,092,500
Funds Temporarily Held to Pay Bonds and Notes	20,363,741	21,468,427	21,365,982
Sold Waste Utility:			
Self-Liquidating	74,309,733	80,025,825	78,441,026
Total Deductions	105,348,474	109,976,752	109,899,508
Net Debt	$ 314,966,982	$ 282,009,475	$ 303,356,410

Note 14: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .684%.

	Gross Debt	Deductions	Net Debt
Debt Guaranteed by the County	$ 329,431,000	$ 329,431,000	
Solid Waste Utility	74,309,733	74,309,733	
General Debt	346,005,723	31,038,741	$ 314,966,982
	$ 749,746,455	$ 434,779,474	$ 314,966,982

Net debt $314,966,982 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $46,049,674,354, equals .684%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

2% of Equalized Valuation Basis (County)	$ 920,993,487
Less: Net Debt	314,966,982
Remaining Borrowing Power	$ 606,026,505

Calculation of "Self-Liquidating Purpose," Solid Waste Utility Per N.J.S.A. 40:2-45

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		$ 34,029,664
Deductions:		
Operating and Maintenance Costs	$ 17,977,380	
Debt Service	11,339,892	
Total Deductions		29,317,272
Excess/(Deficit) in Revenue		$ 4,712,392

A revised Annual Debt Statement should be filed.

Note 15: DEFEASED DEBT

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the County's financial statements. As of December 31, 2016, the total amount of defeased debt outstanding, but removed from the County's financial statements, is $43,920,000.00.

Note 16: RESERVE FOR INTEREST REBATE

The Tax Reform Act of 1986 placed restrictions on the investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

The County of Burlington has several issues of bonds outstanding, which are subject to rebate. Rebate calculations on these bonds are required to be made at least once every five years. The County elected to establish a reserve account in the Solid Waste Utility Operating Fund in the amount of $100,000 in case a rebate may be required as the result of the occurrence of future events.

Note 17: COUNTY OWNED LANDFILL - CLOSURE AND POST-CLOSURE COSTS

On January 27, 1988, the County Freeholders, by adoption of Resolution No. 42, created the Burlington County Solid Waste Utility Fund. All outstanding debt and all authorized but not issued debt attributable to solid waste projects was transferred from the General Capital Fund to the Solid Waste Utility Capital Fund.

Officially, operations at the Resource Recovery Complex began on February 1, 1989 with nine municipalities being served. A phase in period was established for the remaining Burlington County municipalities. As of January 2, 1992, all municipalities within Burlington County are being served. The Complex also accepts solid waste from private haulers.

Pursuant to N.J.A.C. 7:26-2A.9, the County directed its engineer to update the closure/post-closure plan along with the required financial schedules. The latest revision of January 2015 was received from the Engineer, and the report reflects the following:

Closure

Within that report, closure costs are estimated to be $35,049,105.00. It is expected that such closure costs, assuming an inflation rate of 2.0% as estimated by the Engineer, would begin in the year 2022 to the year 2028 when the operations at the landfill site would cease. It is projected that funding will be provided by the Escrow Tax Fund mandated by the New Jersey Department of Environmental Protection.

Post-Closure

Post-closure costs for the thirty-year period would begin in the year 2029 and end 2058. The overall projected costs, assuming an inflation rate of 2.0% as estimated by the engineer, would total $27,771,530.00. It is projected that funding will be provided by the Escrow Tax Fund mandated by the New Jersey Department of Environmental Protection.

Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for estimated liability for combined closure and post-closure costs based on landfill capacity as of December 31, 2016.

Note 17: COUNTY OWNED LANDFILL - CLOSURE AND POST-CLOSURE COSTS (CONT'D)

Closure and Post-Closure Plan Funding and Projected Costs

The County Landfill's funding includes accumulated contributions and investment income at December 31, 2014 (per January 2015 plan), and additional estimated contributions and estimated investment income subsequent to December 31, 2014. The County Landfill's funding progress regarding the plan overall are as follows:

New Jersey Department of Environmental Protection and Energy Escrow Tax Account Balance at December 31, 2014	$	15,262,481
Remaining Estimated per ton Contribution to be made by the County to the NJDEP Escrow Tax Account		4,240,000
Projected Investment Earnings Assuming an Interest Rate of 2.0% for 2014-2015 and 6.0% for 2016-2058		34,594,213
In-Kind Costs for Final Cover		11,833,523
Projected Ending Closure Fund Balance 2058		(3,109,582)
	$	62,820,635
Closure	$	35,049,105
Post Closure		27,771,530
	$	62,820,635

Note 18: DEBT SERVICE AGREEMENTS

The County of Burlington adopted resolutions in 2013 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed $60,000,000; in 2015 $5,000,000 was canceled and in 2016 bonds of $30,095,000 were issued. At December 31, 2016, notes in the amount of $24,905,000 have been issued and the County is the only participant in this issue.

The County of Burlington adopted resolutions in 2013 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed $46,000,000. The County is the only participant in this issue.

The County of Burlington adopted resolutions in 2014 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed $39,937,900. The County is the only participant in this issue.

At December 31, 2016, notes in the amount of $49,870,000 have been issued on the combined amount of the $46,000,000 and $39,937,900 issues.

The County of Burlington adopted resolutions in 2015 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed $25,000,000. The County is the only participant in this issue.

The County – Guaranteed Burlington County Bridge Commission Bonds totaling $329,431,000 as of December 31, 2016 are as follows:

October 1, 2002	Pooled Loan Revenue Bonds	$ 1,199,000.00
November 20, 2003	Lease Revenue Bonds	10,000.00
December 7, 2005	Pooled Loan Revenue Bonds	3,370,000.00
September 16, 2006	Lease Revenue Bonds	4,425,000.00
September 16, 2006	Pooled Loan Revenue Bonds	8,725,000.00
August 15, 2007	Lease Revenue Refunding Bonds	21,565,000.00
November 28, 2007	Pooled Loan Revenue Bonds	1,710,000.00
August 15, 2009	Pooled Loan Revenue Bonds	11,060,000.00
October 27, 2010	Pooled Loan Revenue Bonds	11,475,000.00
March 16, 2011	Loan Revenue Refunding Bonds	9,020,000.00
September 8, 2011	Loan Revenue Refunding Bonds	6,830,000.00
March 11, 2013	Loan Revenue Refunding Bonds	13,325,000.00
October 1, 2013	Bridge System Revenue Bonds	37,555,000.00
October 7, 2013	Loan Revenue Refunding Bonds	28,300,000.00
January 2, 2014	Loan Revenue Refunding Bonds	10,102,000.00
June 25, 2014	Lease Revenue Refunding Bonds	8,800,000.00
	2013-2015 Capital Lease Program Notes	74,775,000.00
	2015 Notes - Bridge commission Capital Improvements	49,525,000.00
	2016 Lease Revenue Bonds	27,660,000.00
		$ 329,431,000.00

At December 31, 2016 the County's balance payable of the Burlington County Bridge Commission's Governmental Leasing Program (Debt Service Agreements) was $129,130,000 in the General Capital Fund and $29,789,000 in the Utility Capital Fund, see Lease Obligations Note.

Note 19: <u>INSURANCE COMMISSION</u>

The County is a member of the Burlington County Insurance Commission. The Commission provides its members with the following coverage:

Health Insurance
Workers' Compensation and Employer's Liability
General Liability
Auto Liability, Auto Physical Damage
Property
Employee Dishonesty

Contributions to the Commission, including a reserve for contingencies, are based on actuarial assumptions determined by the Commission’s actuary. The Commission may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission purchases excess insurance for coverage in excess of the Commission’s self-insured retention limits.

The Commission publishes its own financial report for the year ended December 31, which can be obtained from:

Burlington County Insurance Commission
9 Campus Drive, Suite 216
Parsippany, NJ 07054

Note 20: <u>OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST</u>

On November 5, 1996, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of Burlington County authorized the establishment of the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 1997, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The County proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation for fifteen years. Amounts raised by taxation are apportioned by the County Board of Taxation among the municipalities in accordance with N.J.S.A. 54:4-9 and are assessed, levied and collected in the same manner and at the same time as other County taxes. On November 3, 1998, the voters of Burlington County authorized an increase in the Open Space, Recreation, Farmland and Historic Preservation tax from two cents per hundred to four cents per hundred dollars of equalized valuation for twenty years, and on November 7, 2006 the voters extended the tax to 2036. In 2016, revenue from the tax was allocated as follows: two cents to open space preservation and two cents to historical preservation, maintenance and development of lands acquired for recreation and conservation purposes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)

Pursuant to the adoption of a resolution the County Board of Chosen Freeholders accepted and approved the Strategic Plans for the Farmland Preservation Program and the Open Space Preservation Program. The County of Burlington has entered into various Installment Purchase Agreements to obtain the rights to Open Spaces and Farmlands in order to permanently restrict the rights to develop these properties. The Strategic Plans provide for the acquisition of property or the rights to property through the use of various conservation easements, development rights, direct purchase and public-private partnerships.

As of December 31, 2016, the County had entered into the following Installment Purchase Agreements:

Resolution Number	Issue Date	IPA Account Number	Principal Due Date	Initial Investment Required	Investment Value At Maturity
2002-480	07/19/02	2002-01	11/15/17-11/15/18	Not Applicable	Not Applicable
2001-899	11/15/02	2002-02	11/15/17-11/15/18	Not Applicable	Not Applicable
2002-723	11/14/02	2002-03	11/15/17-11/15/18	Not Applicable	Not Applicable
2002-885	12/05/02	2002-04	11/15/17-11/15/18	Not Applicable	Not Applicable
2001-898	02/17/03	2003-01	11/15/17-11/15/18	Not Applicable	Not Applicable
2003-058	02/21/03	2003-02	11/15/17-11/15/18	Not Applicable	Not Applicable
2003-059	02/17/03	2003-03	11/15/17-11/15/18	Not Applicable	Not Applicable
2002-625	03/10/03	2003-03A	11/15/17-11/15/18	Not Applicable	Not Applicable
2003-414	07/10/03	2003-05	11/15/17-11/15/18	Not Applicable	Not Applicable
2003-487	07/15/03	2003-06	11/15/17-11/15/18	Not Applicable	Not Applicable
2003-488	08/05/03	2003-07	11/15/17-11/15/18	Not Applicable	Not Applicable
2003-869	12/15/03	2003-08	11/15/17-11/15/18	Not Applicable	Not Applicable
2004-261	04/21/04	2004-01	11/15/17-11/15/18	Not Applicable	Not Applicable
2004-263	04/21/04	2004-02	11/15/17-11/15/18	Not Applicable	Not Applicable
2004-262	04/21/04	2004-03	11/15/17-11/15/18	Not Applicable	Not Applicable
2001-900	04/15/05	2005-01	11/15/17-11/15/18	Not Applicable	Not Applicable
2005-228	04/15/05	2005-02	11/15/17-11/15/18	Not Applicable	Not Applicable
2005-306	05/15/05	2005-03	11/15/17-11/15/18	Not Applicable	Not Applicable
2006-298	07/25/06	2006-01	11/15/17-11/15/18	Not Applicable	Not Applicable
2006-1109	12/15/06	2006-02	11/15/17-11/15/18	Not Applicable	Not Applicable
2007-983	12/11/07	2007-01	11/15/17-11/15/26	Not Applicable	Not Applicable
2008-362	06/24/08	2008-01	11/15/17-11/15/27	Not Applicable	Not Applicable
2003-217	06/24/08	2008-02	11/15/17-11/15/27	Not Applicable	Not Applicable
2008-622	08/27/08	2008-03	11/15/17-11/15/28	Not Applicable	Not Applicable
2011-277	11/15/12	2012-01	11/15/17-11/15/31	Not Applicable	Not Applicable
2011-276	04/26/14	2014-01	11/15/17-11/15/33	Not Applicable	Not Applicable
2013-561	11/17/14	2015-01	11/15/17-11/15/34	Not Applicable	Not Applicable
2001-400	09/11/01	70-T031-29-6	11/15/18	$90,414	$238,000
2001-308	02/11/02	70-T035-36-2	11/15/18	150,662	397,000
2001-400	04/25/02	70-T036-37-8	11/15/18	116,484	316,000
2001-597	05/07/02	70-T037-38-4	11/15/18	844,011	2,229,000
2001-400	06/04/02	70-T038-39-0	11/15/18	109,454	291,000
2001-597	07/17/02	70-T039-40-6	11/15/18	196,017	508,000
2001-308	07/12/02	70-T040-41-2	11/15/18	91,653	230,000
2001-308	08/29/02	70-T041-42-8	11/15/18	91,318	218,000
2001-308	09/12/02	70-T042-43-4	11/15/18	94,250	225,000
2002-621	09/26/02	70-T043-44-0	11/15/18	260,998	585,000
2002-179	11/01/02	70-T045-46-0	11/15/18	250,096	598,000
2002-689	03/14/03	70-T046-47-6	11/15/18	357,000	767,000
2002-564	05/08/03	70-T047-49-0	11/15/18	64,482	139,000

Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)

As of December 31, 2016, the County had entered into the following Installment Purchase Agreements (Cont'd):

Resolution Number	Issue Date	IPA Account Number	Principal Due Date	Initial Investment Required	Investment Value At Maturity
2003-445	09/12/03	70-T048-50-6	11/15/18	$822,420	$1,879,000
2003-445	09/12/03	70-T049-51-2	11/15/18	87,538	200,000
2003-098	10/01/03	70-T050-52-8	11/15/18	110,205	237,000
2003-098	10/01/03	70-T051-53-4	11/15/18	109,740	236,000
2003-060	10/29/03	70-T052-54-0	11/15/18	52,216	116,000
2003-060	10/29/03	70-T053-55-5	11/15/18	182,307	405,000
2003-098	12/30/03	70-T054-56-1	11/15/18	78,573	169,000
2003-060	02/06/04	70-T055-57-6	11/15/18	62,444	132,000
2003-060	02/06/04	70-T056-58-2	11/15/18	62,444	132,000
2004-036	09/01/04	70-T057-59-8	11/15/18	647,095	1,317,000
2004-040	09/21/04	70-T058-60-4	11/15/18	69,993	140,000
2004-040	10/07/04	70-T059-61-0	11/15/18	248,790	500,000
2004-040	12/31/04	70-T060-62-6	11/15/18	1,441,822	2,849,000
2004-040	12/31/04	70-T061-63-2	11/15/18	360,329	712,000
2004-040	12/31/04	70-T062-64-8	11/15/18	360,329	712,000
2004-040	12/31/04	70-T063-65-3	11/15/18	360,329	712,000
2004-040	12/31/04	70-T064-66-9	11/15/18	360,329	712,000
2005-772	01/13/05	70-T065-67-4	11/15/18	153,951	300,000
2005-772	01/13/05	70-T066-68-0	11/15/18	153,951	300,000
2005-772	06/21/05	70-T067-69-6	11/15/18	990,068	1,795,000
2005-544	01/24/06	70-T068-70-2	11/15/18	73,820	132,000
2005-774	02/22/06	70-T069-71-8	11/15/18	547,060	1,000,000
2006-304	09/06/06	70-T070-72-4	11/15/18	157,979	287,000
2006-304	09/06/06	70-T071-73-0	11/15/18	157,979	287,000
2006-408	04/11/07	70-T072-74-6	11/15/18	124,374	219,000
2006-408	04/11/07	70-T073-75-1	11/15/18	123,807	218,000
2006-408	04/11/07	70-T074-76-7	11/15/18	123,807	218,000
2006-408	04/11/07	70-T075-77-2	11/15/18	124,374	219,000
2006-303	06/14/07	70-T076-78-8	11/15/18	80,892	148,000
2006-303	06/14/07	70-T077-79-4	11/15/18	80,892	148,000
2007-072	06/20/07	70-T078-80-0	11/15/18	54,772	100,000
2007-072	06/20/07	70-T079-81-6	11/15/18	54,772	100,000
2007-195	08/16/07	70-T080-83-0	11/15/20	254,400	500,000
2007-114	08/23/07	70-T081-84-6	11/15/18	578,140	1,000,000
2006-1093	10/12/07	70-T082-85-1	11/15/18	662,739	1,139,000
2006-1093	10/12/07	70-T083-86-7	11/15/18	283,948	488,000
2007-234	11/29/07	70-T084-87-3	11/15/18	121,928	195,000
2007-234	11/29/07	70-T085-88-8	11/15/18	121,928	195,000
2007-234	11/29/07	70-T086-89-4	11/15/24	95,257	205,000
2007-196	11/30/07	70-T087-90-0	11/15/18	50,027	80,000
2007-234	12/28/07	70-T088-91-6	11/15/36	79,755	300,000
2007-1086	12/28/07	70-T089-92-2	11/15/27	583,334	1,495,000
2007-1086	12/28/07	70-T090-93-8	11/15/27	583,334	1,495,000
2007-490	02/07/08	70-T091-94-4	11/15/18	137,084	210,000
2007-490	02/07/08	70-T092-95-9	11/15/18	136,431	209,000
2007-835	10/16/08	70-T093-96-5	11/15/18	155,064	240,000
2007-835	10/16/08	70-T034-32-4	11/15/23	119,105	240,000
2008-671	10/31/08	70-T094-98-9	11/15/36	1,167,028	3,764,000
2007-192	12/10/08	70-T095-99-4	11/15/18	131,908	188,000

Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)

As of December 31, 2016, the County had entered into the following Installment Purchase Agreements (Cont'd):

Resolution Number	Issue Date	IPA Account Number	Principal Due Date	Initial Investment Required	Investment Value At Maturity
2007-192	12/10/08	70-T096-01-8	11/15/18	$132,610	$189,000
2008-1015	05/12/10	74-9667-01-0	11/15/36	153,384	462,000
2010-101	06/29/10	70-8870-01-9	11/15/20	213,318	281,000
2010-275	12/15/10	70-8891-01-5	11/15/30	69,915	210,000
2010-278	12/28/10	70-8892-01-3	11/15/30	217,935	500,000
2010-278	12/28/10	70-8893-01-1	11/15/30	435,870	1,000,000
2010-278	12/28/10	70-8894-01-9	11/15/30	217,935	500,000
2012-148	03/28/12	70-8915-01-2	11/15/22	150,542	189,000
2012-146	03/28/12	70-8927-01-7	11/15/32	498,171	868,000
2014-270	05/2015	70-8957-01-4	08/01/25	156,280	200,000

Township of Evesham (IPA 2002-01 & 2002-03) - At the closing of IPA 2002-01 & 2002-03, the County signed Promissory Notes in the amounts of $384,000 (Musulin Property) and $400,000 (Pachoango Property). The notes are to be paid off to the Township of Evesham in sixteen equal installments commencing 11/15/03. There is no interest due on these notes and the last payment for both notes is November 15, 2018.

Township of Moorestown (IPA 2002-02) - At the closing of IPA 2002-02, the County signed a Promissory Note in the amount of $96,000 (Wigmore Property). The note is to be paid off to the Township of Moorestown in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Township of Eastampton (IPA 2002-04) - At the closing of IPA 2002-04, the County signed a Promissory Note in the amount of $208,000 (Tabas Property). The note is to be paid off to the Township of Eastampton in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Township of Mount Laurel (IPA 2003-01) - At the closing of IPA 2003-01, the County signed a Promissory Note in the amount of $544,000 (Conrow / Goodwin Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Township of Mount Laurel (IPA 2003-02) - At the closing of IPA 2003-02, the County signed a Promissory Note in the amount of $496,000 (Cuzzimano Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Township of Mount Laurel (IPA 2003-03) - At the closing of IPA 2003-03, the County signed a Promissory Note in the amount of $244,000 (Barrett Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Township of Bordentown (IPA 2003-03A) - At the closing of IPA 2003-03A, the County signed a Promissory Note in the amount of $960,000 (Federal Property). The note is to be paid off to the Township of Bordentown in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)

As of December 31, 2016, the County had entered into the following Installment Purchase Agreements (Cont'd):

Township of Eastampton (IPA 2003-05) - At the closing of IPA 2003-05, the County signed a Promissory Note in the amount of $1,744,000 (Eastampton, LLC Property). The note is to be paid off to the Township of Eastampton in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Township of Mount Laurel (IPA 2003-06) - At the closing of IPA 2003-06, the County signed a Promissory Note in the amount of $288,250 (Guidotti Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Township of Mount Laurel (IPA 2003-07) - At the closing of IPA 2003-07, the County signed a Promissory Note in the amount of $374,000 (Paragon Homes Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

Township of Medford (IPA 2003-08) - At the closing of IPA 2003-08, the County signed a Promissory Note in the amount of $450,000 (JCC Camp Property). The note is to be paid off to the Township of Medford in fifteen equal installments commencing 11/15/04. Interest is due on this note and the last note payment is November 15, 2018.

Township of Mansfield (IPA 2004-01) - At the closing of IPA 2004-01, the County signed a Promissory Note in the amount of $127,500 (Tower Gate Property). The note is to be paid off to the Township of Mansfield in fifteen installments commencing 11/15/04. Interest is due on this note and the last note payment is November 15, 2018.

Township of Evesham (IPA 2004-02) - At the closing of IPA 2004-02, the County signed a Promissory Note in the amount of $108,250 (Hamilton Property). The note is to be paid off to the Township of Evesham in fifteen installments commencing 11/15/04. Interest is due on this note and the last note payment is November 15, 2018.

Township of Evesham (IPA 2004-03) - At the closing of IPA 2004-03, the County signed a Promissory Note in the amount of $1,025,000 (Croft Property). The note is to be paid off to the Township of Evesham in fifteen installments commencing 11/15/04. Interest is due on this note and the last note payment is November 15, 2018.

Township of Moorestown (IPA 2005-01) - At the closing of IPA 2005-01, the County signed a Promissory Note in the amount of $1,743,750 (Benner Property). The note is to be paid off to the Township of Moorestown in fourteen installments commencing 11/15/05. Interest is due on this note and the last note payment is November 15, 2018.

Township of Westampton (IPA 2005-02) - At the closing of IPA 2005-02, the County signed a Promissory Note in the amount of $512,500 (Rancocas Property). The note is to be paid off to the Township of Westampton in fourteen installments commencing 11/15/05. Interest is due on this note and the last note payment is November 15, 2018.

Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)

As of December 31, 2016, the County had entered into the following Installment Purchase Agreements (Cont'd):

Township of Lumberton (IPA 2005-03) - At the closing of IPA 2005-03, the County signed a Promissory Note in the amount of $206,250 (Raab Property). The note is to be paid off to the Township of Lumberton in fourteen installments commencing 11/15/05. Interest is due on this note and the last note payment is November 15, 2018.

Township of Evesham (IPA 2006-01) - At the closing of IPA 2006-01, the County signed a Promissory Note in the amount of $260,000 (Johnston Property). The note is to be paid off to the Township of Evesham in thirteen installments commencing 11/15/06. Interest is due on this note and the last note payment is November 15, 2018.

Township of Hainesport (IPA 2006-02) - At the closing of IPA 2006-02, the County signed a Promissory Note in the amount of $200,000 (Wells/Johnson Property). The note is to be paid off to the Township of Hainesport in twelve installments commencing 11/15/07. Interest is due on this note and the last note payment is November 15, 2018.

Township of Burlington (IPA 2007-01) - At the closing of IPA 2007-01, the County signed a Promissory Note in the amount of $412,500 (Tillinghast Property). The note is to be paid off to the Township of Burlington in nineteen installments commencing 11/15/08. Interest is due on this note and the last note payment is November 15, 2026.

Township of Bordentown (IPA 2008-01) - At the closing of IPA 2008-01, the County signed a Promissory Note in the amount of $382,625 (Luyber Property). The note is to be paid off to the Township of Bordentown in twenty installments commencing 11/15/08. Interest is due on this note and the last note payment is November 15, 2027.

Township of Bordentown (IPA 2008-02) - At the closing of IPA 2008-02, the County signed a Promissory Note in the amount of $1,250,000 (Samost Property). The note is to be paid off to the Township of Bordentown in twenty installments commencing 11/15/08. Interest is due on this note and the last note payment is November 15, 2027.

Township of Medford (IPA 2008-03) - At the closing of IPA 2008-03, the County signed a Promissory Note in the amount of $2,487,500 (The Pointe Project). The note is to be paid off to the Township of Medford in twenty one installments commencing 11/15/08. Interest is due on this note and the last note payment is November 15, 2028.

Township of Chesterfield (IPA 2012-01) - At the closing of IPA 2012-01, the County signed a Promissory Note in the amount of $246,125 (Wilkinson Property). The note is to be paid off to the Township of Chesterfield in twenty installments commencing 11/15/12. Interest is due on this note and the last note payment is November 15, 2031.

Township of Westampton (IPA 2014-01) - At the closing of IPA 2014-01, the County signed a Promissory Note in the amount of $210,000 (Westampton). The note is to be paid off to the Township of Westampton in twenty installments commencing 11/15/14. Interest is due on this note and the last note payment is November 15, 2033.

Township of Delran (IPA 2015-01) - At the closing of IPA 2015-01, the County signed a Promissory Note in the amount of $305,325 (Delran). The note is to be paid off to the Township of Delran in twenty installments commencing 11/15/15. Interest is due on this note and the last note payment is November 15, 2034.

Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)

As of December 31, 2016, the County had entered into the following Installment Purchase Agreements (Cont'd):

With the exception of IPAs 2002-01 through 2002-04, 2003-01 through 2003-03a, 2003-05 through 2003-08, 2004-01 through 2004-03, 2005-01 through 2005-03, 2006-01 through 2006-02, 2007-01, 2008-01 through 2008-03, 2012-01, 2014-01, and 2015-01 all of the other IPAs were executed settlements which negotiated a fair price set to be paid at maturity. Until the principal maturity date, a negotiated interest payment will be paid twice yearly on the principal amount. On the closing date of the IPA transaction, the County would make a purchase of U.S. Treasury Stripes with a maturity schedule designed to meet the principal payment amount due to the sellers. The initial investment is previously shown.

Note 21: BOARD OF SCHOOL ESTIMATES

The Board of School Estimates approved an Appropriation of $15,894,974 for the Burlington County Institute of Technology for the School Year July 1, 2016 to June 30, 2017. The County funded this amount by appropriating $2,430,000 in the County's 2016 budget and $13,464,974 in the County's 2017 budget.

The Board of School Estimates approved an Appropriation of $4,800,000 for the Burlington County Special Services School District County for the School Year July 1, 2016 to June 30, 2017. The County funded this amount by appropriating $400,000 in the County's 2016 budget and $4,400,000 in the County's 2017 budget.

Note 22: TAX ABATEMENTS

Municipalities within the County are authorized to enter into property tax abatement agreements for commercial and industrial structures under N.J.S.A. 40A:21-1 (Chapter 441, P.L. 1991) known as the "Five Year Exemption and Abatement Law". Under this law, municipalities may grant property tax abatements for a period of five years from the date of completion of construction for the purpose of encouraging the construction of new commercial and industrial structures. The first calendar year following completion, 0 percent of taxes are due, and each subsequent calendar the percentage of taxes due increases by 20 percent. During the 6th calendar year, 100 percent of taxes are assessed and due. The property owner agrees that the payment in lieu of taxes shall be made to the municipality in quarterly installments on those dates when real estate tax payments are due. Failure to make timely payments shall result in interest being assessed at the highest rate permitted for unpaid taxes and a real property tax lien on the land.

For 2016, the Abstract of Ratables for Burlington County indicated 15 of 40 municipalities abated property taxes under this program. The total assessed value abated was $56,861,126.00.

Note 23: CAPITAL DEBT REFUNDING

On March 22, 2016, the County issued $31,490,000.00 in general obligation bonds with an interest rate of 3.00-4.00% to advance refund $32,896,000.00 of outstanding 2007 and 2008 series bonds with an interest rate of 3.50-4.25%. The net proceeds of $34,873,255.53 (after payment of issuance costs) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 and 2008 series bonds. As a result of the current refunding, the County will reduce its total debt service payments over the next seven years by almost $2,020,001.25, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of $1,909,820.08, or 5.81% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the County's financial statements.

Note 24: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amount, if any, to be immaterial.

Litigation - The County is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the County, from such litigation is either unknown or potential losses, if any, would not exceed the available funds in the Reserve for General Liability Self Insurance.

Note 25: CONCENTRATIONS

The County depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 26: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the County authorized additional bonds and notes as follows:

Purpose	Date	Authorization
General Improvements		
Providing for the costs of design, construction, renovation and equipping of a multi-year, multi-phase capital improvement program in FY16 and beyond for Rowan College at Burlington County Campuses	05/10/17	$ 6,500,000

APPENDIX C

FINANCIAL REPORT OF INDEPENDENT AUDITOR TO THE COMMISSION

FISCAL YEAR 2016

BASIC FINANCIAL STATEMENTS

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
The Burlington County Bridge Commission
Palmyra, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey, a component unit of the County of Burlington (Commission), as of and for the fiscal years ended September 30, 2016 and 2015 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

6 North Broad Street | Suite 201 | Woodbury, NJ 08096 | P 856.853.0440 | F 856.845.4128 | www.bowmanllp.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey as of September 30, 2016 and 2015 and the changes in its financial position and its cash flows thereof for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior Period Restatement

During the fiscal year ended September 30, 2015, the Commission incorrectly recorded costs incurred as part of the interlocal service agreement with Burlington County as major repairs. Those expenses should have been recorded as a receivable as Burlington County has agreed to reimburse the Commission. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Commission's financial statements for the fiscal year ended September 30, 2016, includes certain supplementary information, including the required budgetary comparisons and management's discussion and analysis, that is not included with this presentation of the basic financial statements.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
July 6, 2017

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Net Position
As of September 30, 2016 and 2015

	2016	2015 (Restated)
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 36,104,990.74	$ 24,841,204.99
EZ-Pass Receivable	2,552,308.00	2,109,601.75
Other Accounts Receivable	3,681,741.75	1,277,969.73
Prepaid Expenses	620,697.95	429,871.03
Total Unrestricted Assets	42,959,738.44	28,658,647.50
Restricted Assets:		
Cash and Cash Equivalents	78,476,505.02	33,067,948.09
Total Current Assets	121,436,243.46	61,726,595.59
Noncurrent Assets:		
Capital Assets		
Completed (Net of Depreciation)	89,009,606.93	85,461,370.82
Improvements in Progress	13,565,892.02	15,147,492.12
Total Noncurrent Assets	102,575,498.95	100,608,862.94
Total Assets	224,011,742.41	162,335,458.53
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	9,096,597.00	3,478,674.00

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Net Position
As of September 30, 2016 and 2015

	2016	2015 (Restated)
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	$ 4,458,052.23	$ 4,800,726.18
Accounts Payable - Related to Early Retirement Incentive Programs	84,335.00	81,878.00
Accounts Payable - Related to Pensions	981,865.00	939,862.00
Payments in Lieu of Taxes	21,502.47	21,502.47
Escrow and Retained Funds	189,573.08	294,344.98
Unearned Revenue	11,212.85	11,469.56
Compensated Absences Payable	52,508.58	
Total Current Liabilities Payable from Unrestricted Assets	5,799,049.21	6,149,783.19
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	1,777,073.44	1,690,249.72
Accrued Interest Payable on Notes	752,835.56	
Accrued Interest Payable on Bonds	981,118.75	1,024,618.73
Bridge System Revenue Notes Payable	49,918,859.69	
Bridge System Revenue Bonds Payable	2,905,000.00	2,900,000.00
Total Current Liabilities Payable from Restricted Assets	56,334,887.44	5,614,868.45
Long-Term Liabilities Payable:		
Compensated Absences Payable	1,916,049.18	1,838,496.86
Net OPEB Obligation	13,706,261.51	12,233,279.12
Accrued Liabilities - Related to Early Retirement Incentive Programs	687,430.00	771,765.00
Accrued Liabilities - Related to Pensions	245,466.00	234,966.00
Net Pension Liability	32,733,558.00	24,540,233.00
Bridge System Revenue Bonds Payable	41,676,029.48	45,812,075.82
Total Long-Term Liabilities	90,964,794.17	85,430,815.80
Total Liabilities	153,098,730.82	97,195,467.44
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	733,279.00	1,324,957.00
NET POSITION		
Net Investment in Capital Assets	70,108,808.91	70,384,154.10
Restricted:		
State Unemployment Compensation	10,524.18	
Bond Resolution Covenants	9,955,487.50	9,903,063.70
Unrestricted (Deficit)	(798,491.00)	(12,993,509.71)
Total Net Position	$ 79,276,329.59	$ 67,293,708.09

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY BRIDGE COMMISSION

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Fiscal Years Ended September 30, 2016 and 2015

	2016	**2015 (Restated)**
Operating Revenues:		
Tolls	$ 51,195,356.70	$ 34,365,157.94
Miscellaneous Revenue	623,955.32	436,214.45
Total Operating Revenues	51,819,312.02	34,801,372.39
Operating Expenses:		
Administration:		
Salaries and Wages	2,108,420.66	2,134,115.13
Employee Benefits	1,736,995.50	1,417,087.82
Other Expenses	1,230,474.29	1,599,140.18
Cost of Providing Service:		
Salaries and Wages	8,211,858.91	7,741,134.98
Employee Benefits	6,772,796.51	5,295,503.56
Other Expenses	6,977,655.87	7,007,260.90
Major Repairs Expense (See Note 12)	6,444,027.84	5,966,526.36
Depreciation	5,032,690.27	4,486,076.37
Total Operating Expenses	38,514,919.85	35,646,845.30
Operating Income (Loss)	13,304,392.17	(845,472.91)
Non-Operating Revenues (Expenses):		
Investment Income	77,331.60	42,354.04
Contribution to County		(1,400,000.00)
Interest on Bonds	(1,035,862.83)	(733,235.64)
Debt Issue Costs	(360,240.00)	
Loss on Disposal of Capital Assets	(2,999.44)	
Total Non-Operating Revenues (Expenses)	(1,321,770.67)	(2,090,881.60)
Change in Net Position	11,982,621.50	(2,936,354.51)
Net Position - Beginning	67,293,708.09	70,230,062.60
Net Position - Ending	$ 79,276,329.59	$ 67,293,708.09

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY BRIDGE COMMISSION

Comparative Statements of Cash Flows

For the Fiscal Years Ended September 30, 2016 and 2015

	2016	2015 (Restated)
Cash Flows from Operating Activities:		
Receipts from Customers and Users	$ 50,752,650.45	$ 33,712,242.44
Payments to Suppliers	(8,699,628.03)	(5,201,232.51)
Payments to Employees and Agencies	(15,314,682.29)	(14,617,386.50)
Provision for Major Repairs	(6,490,397.24)	(5,920,156.96)
Other Operating Receipts	(1,780,073.41)	(771,013.32)
Net Cash Provided by Operating Activities	18,467,869.48	7,202,453.15
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(6,915,502.00)	(8,407,253.46)
Retainage	(58,402.50)	(109,188.66)
Contribution to County		(1,400,000.00)
Cost of Issuance	(360,240.00)	
Issuance of Notes	50,367,023.60	
Bond Principal	(2,900,000.00)	(2,930,000.00)
Interest on Bonds	(2,005,737.50)	(2,085,862.50)
Net Cash Provided by (Used in) Capital and Related Financing Activities	38,127,141.60	(14,932,304.62)
Cash Flows from Investing Activities:		
Investment Income Receipts	77,331.60	42,354.04
Net Increase / (Decrease) in Cash and Cash Equivalents	56,672,342.68	(7,687,497.43)
Cash and Cash Equivalents at Beginning of Year	57,909,153.08	65,596,650.51
Cash and Cash Equivalents at End of Year	$ 114,581,495.76	$ 57,909,153.08

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Cash Flows
For the Fiscal Years Ended September 30, 2016 and 2015

	2016	2015 (Restated)
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	$ 13,304,392.17	$ (845,472.91)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	5,032,690.27	4,486,076.37
Pension Liability Expense - GASB 68:		
Deferred Outflows Related to Pensions	(5,617,923.00)	(2,537,622.50)
Post Employment Benefits - Pensions	8,203,825.00	2,966,179.50
Deferred Inflows Related to Pensions	(591,678.00)	39,835.00
Change in Assets and Liabilities:		
EZ-Pass Receivable	(442,706.25)	(652,915.50)
Other Accounts Receivable	(2,403,772.02)	(1,208,793.56)
Prepaid Expenses	(190,826.92)	143,175.57
Escrow and Retained Funds	(46,369.40)	46,369.40
Accounts Payable	(300,670.95)	3,335,705.36
Unearned Revenue	(256.71)	1,565.79
Post Employment Benefits - Other Then Pension	1,472,982.39	1,600,845.51
Reserve for Workers' Compensation Claims		(19,288.52)
Compensated Absences Payable	130,060.90	(73,712.36)
Early Retirement Incentive Program	(81,878.00)	(79,494.00)
Total Adjustments	5,163,477.31	8,047,926.06
Net Cash Provided by Operating Activities	$ 18,467,869.48	$ 7,202,453.15

The accompanying Notes to Financial Statements are an integral part of this statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Burlington County Bridge Commission (the "Commission") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Reporting Entity

The Commission is a component unit of the County of Burlington, State of New Jersey. The Commission was created by the Board of Chosen Freeholders of the County of Burlington on October 22, 1948 under the laws of the State of New Jersey. The Commission operates and maintains the Tacony-Palmyra and Burlington-Bristol Bridges that span the Delaware River along with several other non-toll producing bridges. The Commission was granted the power to act as an Improvement Commission during 2002 in order to provide within the County, public facilities for use by the State, the County or any municipality in the County and to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon. The Commission consists of three Commissioners, who are appointed by resolution by the Burlington County Board of Chosen Freeholders for three-year terms. The daily operations are managed by the Executive Director.

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing Commission, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Commission is a component unit of the County of Burlington, and it has been determined by the Commission that the following organization is considered a component unit. The Commission has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Friends of the Palmyra Nature Cove, Inc.
1300 Route 73 North,
PO Box 6
Palmyra, New Jersey 08065

Requests for financial information should be addressed to the organization listed above.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Presentation

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Commission is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Bridge toll charges are recognized as revenue when services are provided.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Commission must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Commission must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Commission budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Commission's fiscal year. The governing body may amend the budget at any point during the fiscal year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, bond issue costs, bond discounts, deferred loss on defeasance and the annual required contribution for the Commission's Other Postemployment Benefits ("OPEB") Plan are not included in the budget appropriations.

The legal level of budgetary control is established at the detail shown on the Comparative Statements of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Commission as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Commission adopted an amending budget resolution during the fiscal year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting (Cont'd)

The Commission records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At fiscal year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Commission has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Inventories

Inventory consists principally of road deicer for the treatment of the bridge and the surrounding roads and is valued at cost.

Prepaid Expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable fiscal year end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Commission. Assets purchased prior to June 30, 1993 are stated at estimated cost. Assets purchased since are stated at actual cost. Donated capital assets are recorded at their fair market value as of the date received.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the fiscal year that the project is completed, these costs are transferred to Capital Assets - Completed. Interest costs incurred during construction are not capitalized into the cost of the asset.

Expenditures are capitalized when they meet the following requirements:

1) Cost of $25,000.00 or more
2) Cost of $5,000.00 or more if purchased with Federal or State grants
3) Vehicles with a cost of $15,000.00 or more
4) Useful life of more than five years
5) Asset is not affected by consumption

Depreciation

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	Years
Building and Infrastructure	40-100
Major Moveable Equipment	5-15
Vehicles	5-7

Depreciation is calculated from the month of acquisition.

Bond Discounts/Bond Premiums

Bond discounts/premiums arising from the issuance of long-term debt are amortized over the life of the bonds by, in a systematic and rational method from the issue date to maturity as a component of interest expense. Bond discounts/ premiums are presented as an adjustment of the face amount on the bonds.

Deferred Outflows of Resources

The Commission reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its comparative statements of net position. The only deferred outflows of resources reported in this fiscal year's financial statements is a deferred outflow of resources for contributions made to the Commission's defined benefit pension plans between the measurement date of the net pension liabilities from those plans and the end of the Commission's fiscal year.

Deferred Inflows of Resources

The Commission's comparative statements of net position report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future periods. Deferred inflows of resources are reported in the Commission's comparative statements of net position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over a total of five (5) fiscal years, including the current fiscal year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Commission and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Commission and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Commission is eligible to realize the revenue.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (“PERS”) and additions to/deductions from PERS’s fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

In accordance with the provisions of GASB Statement No. 34 (“Statement 34”) of the Governmental Accounting Standards Board “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”, the Commission has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position If there are significant unspent related debt proceeds or deferred inflows of resources at fiscal year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” This component includes net position that may be allocated for specific purposes by the Commission’s Board.

Income Taxes

The Commission operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from facility charges (i.e., toll revenues, which include E-Z Pass revenues) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.

Operating expenses include expenses associated with the operation, maintenance and repair of the bridges and general administrative expenses. Non-operating expenses principally include expenses attributable to the Commission's interest on funded debt and contributions to Burlington County.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued and Adopted Accounting Pronouncements

For the fiscal year ended September 30, 2016 the Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption this Statement had no impact on the Commission's financial statements.

In addition, the Commission adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption this Statement had no impact on the Commission's financial statements.

Next, the Commission adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption this Statement had no impact on the Commission's financial statements.

Furthermore, the Commission adopted GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The adoption this Statement had no impact on the Commission's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recently Issued and Adopted Accounting Pronouncements (Cont'd)

Additionally, the Commission adopted GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The adoption this Statement had no impact on the Commission's financial statements.

Lastly, the Commission adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption this Statement had no impact on the Commission's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the Commission in the fiscal year ending September 30, 2017. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities The Statement will become effective for the Commission in the fiscal year ending September 30, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the Commission in the fiscal year ending September 30, 2017. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the Commission in the fiscal year ending September 30, 2017. Management does not expect this Statement will have an impact on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recently Issued Accounting Pronouncements (Cont'd)

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the Commission in the fiscal year ending September 30, 2017. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The Statement will become effective for the Commission in the fiscal year ending September 30, 2019. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the Commission in the fiscal year ending September 30, 2019. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 85, *Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).The Statement will become effective for the Commission in the fiscal year ending September 30, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with finance related legal and contractual provisions

Management of the Commission is unaware of any material violations of finance related legal and contractual provisions.

General Bond Resolution

The Commission is subject to the provisions and restrictions of a Bond Resolution adopted April 27, 1993. A summary of the activities of each account created by the Bond Resolution is covered below.

Revenue Account - All money collected by the Commission for bridge tolls or from any other source for operating, maintaining or repairing the system is deposited in this account. All revenues of the Commission are deposited into this account and are transferred in turn to the appropriate trust account on or before the 20th day of each month.

Operating Account - The balance on deposit must be equal to at least 10% of the annual budgeted appropriations for operating expenses, not including principal payments on debt. At September 30, 2016, the balance in the operating account meets the requirements of the Bond Resolution.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

General Bond Resolution (Cont'd)

Debt Service Account - The amount on deposit in this account must equal at least the accrued interest payable on the Bridge System Revenue bonds plus that portion of the principal installment, which would have accrued if principal accrued in the same manner as interest. At September 30, 2016, the balance meets the requirements of the Bond Resolution.

Debt Reserve Account - The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service. The balance on September 30, 2016 meets the requirements of the Bond Resolution.

Reserve Maintenance Account – The amount on deposit in this account must be equal to the greater of $500,000.00 or a larger amount if certified as necessary by the Consulting Engineer. Amounts in this account may be applied to the cost of major or extraordinary repairs, renewals and replacements of the Bridge System and major acquisitions of equipment. Additionally, the Commission received insurance proceeds for damage to the bride fender system. These funds are held in trust and utilized for the repair and maintenance of the fender system. At September 30, 2016, the balance meets the requirements of the Bond Resolution.

General Reserve Account – All excess funds of the Commission are recorded in the General Reserve Account. If the Commission is not in default in the payment of bond principal or interest and all fund requirements are satisfied and there is no money owing to the County under the Security Agreement (See Note 4), then the Commission may use the excess funds for any lawful purpose.

Debt Service Coverage

The Commission's Bond Resolution requires that net revenues equal at least 105% of debt service. Compliance with this covenant is calculated as follows:

	2016			2015		
Net Revenue:						
Operating Income (Loss) (Exhibit B)	$ 13,304,392.17			$ (845,472.91)		
Add:						
Depreciation Expenses	5,032,690.27			4,486,076.37		
Major Repairs and Acquisitions	6,444,027.84			5,966,526.36		
Interest Revenue	77,331.60			42,354.04		
Net Revenue	$ 24,858,441.88			$ 9,649,483.86		
Debt Service						
Interest Charges	$ 1,962,237.52			$ 2,049,237.48		
Bond Principal (Due Oct. 1)	2,905,000.00			2,900,000.00		
Debt Service	$ 4,867,237.52			$ 4,949,237.48		
Net Revenue	$ 24,858,441.88	=	511%	$ 9,649,483.86	=	195%
Debt Service	$ 4,867,237.52			$ 4,949,237.48		

Note 3: DETAIL NOTES - ASSETS

Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. Although the Commission does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Commission in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule on the next page.

As of September 30, 2016 and 2015, the Commission's bank balances were exposed to custodial credit risk as follows:

	2016	2015
Insured by FDIC	$ 252,490.00	$ 252,500.00
Insured by GUDPA	37,741,230.47	25,213,383.80
Uninsured and Uncollateralized	78,796,267.01	33,066,872.47
Total	$116,789,987.48	$ 58,532,756.27

Required Cash and Investment Balances

Below is a schedule of amounts required to be on deposit as of September 30, 2016, as discussed in Note 2:

	Balance Sept. 30, 2016	Required Balance	Excess/ (Deficit)
Unrestricted:			
Revenue Account	$ 4,154,784.41		$ 4,154,784.41
Operating Account	30,357,648.46	$ 2,743,500.00	27,614,148.46
General Reserve Account	1,592,557.87		1,592,557.87
	36,104,990.74	2,743,500.00	33,361,490.74
Restricted:			
Unemployment	11,027.97		11,027.97
Construction Fund	67,362,531.30		67,362,531.30
Debt Service	3,890,934.37		3,890,934.37
Debt Service Reserve	6,712,010.15	6,711,987.50	22.65
Reserve Maintenance	500,001.23	500,000.00	1.23
	78,476,505.02	7,211,987.50	71,264,517.52
	$ 114,581,495.76	$ 9,955,487.50	$ 104,626,008.26

Note 3: DETAIL NOTES – ASSETS (CONT'D)

Capital Assets

During the fiscal year ended September 30, 2016, the following changes in capital assets occurred:

	Balance Oct. 1, 2015	Additions and Transfers	Deletions	Balance Sept. 30, 2016
Capital Assets not being Depreciated				
Land	$ 2,323,076.92	$ -	$ -	$ 2,323,076.92
Capital Assets being Depreciated				
Bridges and Improvements	99,922,144.84	7,805,939.77		107,728,084.61
Approaches	4,803,881.20			4,803,881.20
Buildings and Improvements	16,346,085.03	424,914.98		16,771,000.01
Equipment	21,214,493.15	248,999.77	124,114.00	21,339,378.92
Mobile Equipment	2,250,998.53	104,071.30	68,169.06	2,286,900.77
Total Capital Assets being Depreciated	144,537,602.75	8,583,925.82	192,283.06	152,929,245.51
Total Capital Assets	146,860,679.67	8,583,925.82	192,283.06	155,252,322.43
Less: Depreciation	61,399,308.85	5,032,690.27	189,283.62	66,242,715.50
Capital Assets, Net	$ 85,461,370.82	$ 3,551,235.55	$ 2,999.44	$ 89,009,606.93

Note 3: DETAIL NOTES – ASSETS (CONT'D)

Capital Assets (Cont'd)

During the fiscal year ended September 30, 2015, the following changes in capital assets occurred:

	Balance Oct. 1, 2014	Additions and Transfers	Deletions	Balance Sept. 30, 2015
Capital Assets not being Depreciated				
Land	$ 2,323,076.92	$ -	$ -	$ 2,323,076.92
Capital Assets being Depreciated				
Bridges and Improvements	90,735,979.52	9,186,165.32		99,922,144.84
Approaches	4,803,881.20			4,803,881.20
Buildings and Improvements	12,981,390.76	3,364,694.27		16,346,085.03
Equipment	20,710,480.36	504,012.79		21,214,493.15
Mobile Equipment	2,237,189.38	63,433.40	49,624.25	2,250,998.53
Total Capital Assets being Depreciated	131,468,921.22	13,118,305.78	49,624.25	144,537,602.75
Total Capital Assets	133,791,998.14	13,118,305.78	49,624.25	146,860,679.67
Less: Depreciation	56,962,856.73	4,486,076.37	49,624.25	61,399,308.85
Capital Assets, Net	$ 76,829,141.41	$ 8,632,229.41	$ -	$ 85,461,370.82

Toll Revenues

The following is a three-year comparison of toll revenues:

Fiscal Year	Cash Revenue	E-ZPass Revenue	Total Revenue
2016	$ 23,136,407.20	$ 28,058,949.50	$ 51,195,356.70
2015	17,576,367.94	16,788,790.00	34,365,157.94
2014	17,225,507.04	15,684,585.50	32,910,092.54

Note 4: DETAIL NOTES - LIABILITIES

Long Term Liabilities

During the fiscal year ended September 30, 2016, the following changes occurred in long-term obligations:

	Balance October 1, 2015	Additions	Reductions	Balance September 30, 2016	(Memo) Due Within One Year
Bonds Payable:					
Revenue Bonds	$ 40,460,000.00		$ (2,905,000.00)	$ 37,555,000.00	$ 2,905,000.00
Issuance Premiums	5,352,075.82		(1,231,046.34)	4,121,029.48	1,091,751.59
Total Bonds Payable	45,812,075.82	$ -	(4,136,046.34)	41,676,029.48	3,996,751.59
Other Liabilities					
Net Pension Liability	24,540,233.00	13,152,177.00	(4,958,852.00)	32,733,558.00	
Accrued Liabilities:					
Early Retirement	853,643.00		(81,878.00)	771,765.00	84,335.00
Pensions	234,966.00	245,466.00	(234,966.00)	245,466.00	
Net OPEB Obligation	12,233,279.12	2,793,100.00	(1,320,117.61)	13,706,261.51	
Compensated Absences	1,838,496.86	301,735.33	(171,674.43)	1,968,557.76	52,508.58
Total Other Liabilities	39,700,617.98	16,492,478.33	(6,767,488.04)	49,425,608.27	136,843.58
Total Long Term Liabilities	$ 85,512,693.80	$ 16,492,478.33	$ (10,903,534.38)	$ 91,101,637.75	$ 4,133,595.17

During the fiscal year ended September 30, 2015, the following changes occurred in long-term obligations:

	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015	(Memo) Due Within One Year
Bonds Payable:					
Revenue Bonds	$ 43,360,000.00		$ (2,900,000.00)	$ 40,460,000.00	$ 2,900,000.00
Issuance Premiums	6,668,077.66		(1,316,001.84)	5,352,075.82	1,231,046.34
Total Bonds Payable	50,028,077.66	$ -	(4,216,001.84)	45,812,075.82	4,131,046.34
Other Liabilities					
Net Pension Liability	21,564,408.00	5,946,730.00	(2,970,905.00)	24,540,233.00	
Accrued Liabilities:					
Early Retirement	933,137.00		(79,494.00)	853,643.00	81,878.00
Pensions	234,965.50	234,966.00	(234,965.50)	234,966.00	
Net OPEB Obligation	10,632,433.61	2,793,100.00	(1,192,254.49)	12,233,279.12	
Compensated Absences	1,912,209.22		(73,712.36)	1,838,496.86	86,523.48
Total Other Liabilities	35,277,153.33	8,974,796.00	(4,551,331.35)	39,700,617.98	168,401.48
Total Long Term Liabilities	$ 85,305,230.99	$ 8,974,796.00	$ (8,767,333.19)	$ 85,512,693.80	$ 4,299,447.82

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Revenue Bonds Payable - County Guaranteed Bridge System Revenue Bonds Series 2013

The Commission issued $46,290,000 of the Series 2013 Bonds pursuant to a resolution dated April 18, 2013 with interest rates ranging from 2.50% to 5.00%. The Bonds were issued to provide funds for the costs of various capital improvements to the Commission's Bridge System, funding the Debt Service Reserve Fund, and paying costs and expenses associated with the issuance of the Series 2013 Bonds.

The following schedule reflects the Debt Requirements until 2030.

Bond Year Ending Oct. 1,	Principal	Interest	Total	
2016	$ 2,905,000.00	$ 1,962,237.50	$ 4,867,237.50	
2017	4,895,000.00	1,816,987.50	6,711,987.50	*
2018	4,760,000.00	1,572,237.50	6,332,237.50	
2019	4,605,000.00	1,334,237.50	5,939,237.50	
2020	4,425,000.00	1,103,987.50	5,528,987.50	
2021-2025	14,925,000.00	2,586,687.50	17,511,687.50	
2026-2030	3,945,000.00	301,775.00	4,246,775.00	
	40,460,000.00	$ 10,678,150.00	$ 51,138,150.00	
Adjustments:				
Premium on Bonds	4,121,029.48			
	$ 44,581,029.48			

* Maximum Debt Service

Revenue Notes Payable - County Guaranteed Bridge System Revenue Notes, Series 2015

The Commission issued $49,820,000 of the Series 2015 Notes pursuant to a resolution dated October 14, 2015 with an interest rate of 2.00%. The Notes were issued to provide funds for the costs of various capital improvements to the Commission's Bridge System and paying costs and expenses associated with the issuance of the Series 2015 Notes.

	Balance October 1, 2015	Additions	Reductions	Balance September 30, 2016
Notes Payable:				
Revenue Notes		$ 49,820,000.00		$ 49,820,000.00
Issuance Premiums		547,023.60	$ (448,163.91)	98,859.69
Total Bonds Payable	$ -	$ 50,367,023.60	$ (448,163.91)	$ 49,918,859.69

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Burlington County Guarantee

The Burlington County Board of Chosen Freeholders (the “Board”) adopted a resolution on April 28, 1993, as supplemented on March 28, 2001 (the “Prior County Guaranty”), which authorized the guaranty by the County of the payment, when due, of the principal of and interest on certain bonds of the Commission issued in 1993 and 2002 (collectively, the "Prior County Guaranteed Bonds"). The Board further adopted a resolution on November 14, 2012 (the “New County Guaranty” and together with the Prior County Guaranty, the “County Guaranty”) which authorized the guaranty by the County of the payment, when due, of the principal of and interest on the Bonds (the “New County Guaranteed Bonds” and together with the Prior County Guaranteed Bonds, the “County Guaranteed Bonds”). Pursuant to the terms of the County Guaranty, the County has covenanted to pay, when due, the principal of and interest on the outstanding County Guaranteed Bonds to the extent that the revenues or other moneys or securities or funds of the Commission are not available under the terms of the Resolution therefor.

The payments which are required by the County under the terms of the New County Guaranty will constitute the valid, binding, direct and general obligations of the County and are payable out of the first funds becoming legally available for such purpose. In the opinion of Bond Counsel to the Commission, the County has the power, and is obligated, to levy ad valorem taxes upon all the taxable real property within the jurisdiction of the County, for the purpose of making such payments under the New County Guaranty, as the same shall become due, without limitation as to rate or amount, if such funds are not otherwise available. The New County Guaranty will remain in full force and effect for as long as the Bonds remain outstanding.

Compensated Absences

Full-time employees earn sick and vacation days based on years of service. Part-time employees are not entitled to paid vacation or sick days. Sick days are cumulative; however, vacation days not used during the fiscal year may only be carried forward until December 15th, of the following year. Operations employees may convert five sick and/or vacation days to cash on an annual basis as of December 15th. Additionally, Operations employees may use five sick days as personal days per year. Administrative employees may use four sick days as personal days per year. Upon retirement from the Commission, employees will be paid for all accrued sick and vacation time, eligible for payout, at their then current hourly rate. Administrative employees hired on or before May 1, 2005 who retire after April 13, 2010, cannot be paid for unused sick time in excess of the amount earned as of April 15, 2010. Administration employees and Operations employees hired after May 1, 2005 and April 1, 1998 respectively, have a maximum sick payout of $15,000.00. Employees tendering their resignation or terminated are only entitled to accrued vacation time at their then current hourly rate. The Commission’s accrued liability for accumulated sick leave and vacation time at September 30, 2016 is estimated at $1,968,557.76 and September 30, 2015 is estimated at $1,838,496.86.

Unearned Federal and State Grants

The Commission has received grants from the State of New Jersey for DWI enforcement, the purchase of body armor, and seatbelt safety. These grants are recorded as deferred revenue until the Commission expends the funds.

Net Pension Liability

For details on the net pension liability, see the Pension Plans section below. The Commission’s annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Lease Obligations

At September 30, 2016, the Commission has operating lease agreements in effect for copiers and a postage machine.

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

Fiscal Year	Amount
2017	$ 17,730.12
2018	14,243.88
2019	13,865.88
2020	8,088.43
	$ 53,928.31

Current year payments under operating leases totaled $18,528.24.

Pension Plans

A substantial number of Commission employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan, which is administered by the New Jersey Division of Pensions and Benefits ("the Division"). In addition, Commission employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
http://www.nj.gov/treasury/pensions

General Information about the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Commission, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

General Information about the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et.seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Commission's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Commission's contractually required contribution rates for the fiscal years ended September 30, 2016 and 2015 were 13.12% and 12.50% of the Commission's covered payroll. These amounts were actuarially determined as the amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the Commission's contractually required contribution to the pension plan for the fiscal year ended September 30, 2016 is $981,865.00, and is payable by April 1, 2017. Based on the PERS measurement date of June 30, 2015, the Commission's contractually required contribution to the pension plan for the fiscal year ended September 30, 2015 was $939,862.00, which was paid on April 1, 2016. Employee contributions to the Plan during the fiscal year ended September 30, 2016 were $535,284.44.

Based on the PERS measurement date of June 30, 2015, the Commission's contractually required contribution to the pension plan for the fiscal year ended September 30, 2015 was $939,862.00, and was payable by April 1, 2016. Based on the PERS measurement date of June 30, 2014, the Commission's contractually required contribution to the pension plan for the fiscal year ended September 30, 2014 was $949,508.00, which was paid on April 1, 2015. Employee contributions to the Plan during the fiscal year ended September 30, 2015 were $531,174.71.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Commission's contribution amounts for each pay period, 3% of the employees' base salary, are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal years ended September 30, 2016 and 2015, employee contributions totaled $46,359.66 and $25,760.14, respectively. The Commission's contributions for the fiscal years ended September 30, 2016 and 2015 were $25,844.43 and $15,745.63, respectively. There were no forfeitures during the fiscal years.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following information relates only to the Public Employees' Retirement System ("PERS"), which is a cost-sharing multiple-employer defined benefit pension plan.

The Commission reported a liability of $32,733,558.00 and $24,540,233.00 for its proportionate share of the net pension liability for the fiscal years ended September 30, 2016 and 2015, respectively.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The net pension liability reported at September 30, 2016 was measured by the PERS plan as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Commission's proportion was .1105223757%, which was an increase of .00120200447% from its proportion measured as of June 30, 2015.

The net pension liability reported at September 30, 2015 was measured by the PERS plan as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Commission's proportion was .1093203713%, which was a decrease of .0058572866% from its proportion measured as of June 30, 2014.

For the fiscal years ended September 30, 2016 and 2015, the Commission recognized pension expense of $2,976,032.00 and $1,430,390.00, respectively. These amounts were based on the plan's June 30, 2016 and 2015 measurement dates, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

At September 30, 2016 and 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	September 30, 2016		September 30, 2015	
	Measurement Date June 30, 2016		Measurement Date June 30, 2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 608,745.00		$ 585,444.00	
Changes of Assumptions	6,780,645.00		2,635,425.00	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,248,160.00			$ 394,560.00
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions	213,581.00	$ 733,279.00	22,839.00	930,397.00
Commission Contributions Subsequent to the Measurement Date	245,466.00		234,966.00	
	$ 9,096,597.00	$ 733,279.00	$ 3,478,674.00	$ 1,324,957.00

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

The deferred outflows of resources related to pensions totaling $245,466.00 and $234,966.00 will be included as a reduction of the net pension liability in the fiscal years ended September 30, 2017 and 2016.

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Fiscal Year Ending September 30,	
2017	$ 1,795,555.00
2018	1,795,555.00
2019	2,103,850.00
2020	1,796,018.00
2021	626,874.00
	$ 8,117,852.00

The amortization of the other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016 and 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016 and 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2016	Measurement Date June 30, 2015
Inflation	3.08%	3.04%
Salary Increases:		
2012-2021		2.15% - 4.40% Based on Age
Through 2026	1.65% - 4.15% Based on Age	
Thereafter	2.65% - 5.15% Based on Age	3.15% - 5.40% Based on Age
Investment Rate of Return	7.65%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2008 - June 30, 2011

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016 and 7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 and 2015 are summarized in the table on the following page.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions (Cont'd)

	Measurement Date June 30, 2016		Measurement Date June 30, 2015	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Cash	5.00%	0.87%	5.00%	1.04%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Equities	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds / Absolute Return	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
Global Debt ex U.S.	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	100.00%		100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 5.55% as of June 30, 2016 and 2015 measurement dates, respectively. The respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Sensitivity of Commission's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability at September 30, 2016 calculated using a discount rate of 3.98%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	September 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Commission's Proportionate Share of the Net Pension Liability	$ 40,111,155.00	$ 32,733,558.00	$ 26,642,712.00

The following presents the Commission's proportionate share of the net pension liability at September 30, 2015 calculated using a discount rate of 4.90%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	September 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Commission's Proportionate Share of the Net Pension Liability	$ 30,500,507.00	$ 24,540,233.00	$ 19,543,182.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' respective fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

Early Retirement Incentive Program – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Commission's governing body (within a limited period of time), were available to employees who met certain minimum requirements. The governing body of the Commission approved the program on January 14, 1992, March 17, 1992 and November 9, 1993 for eligible members of the PERS. Seven employees applied for early retirement under the 1991 and 1993 programs. Program costs are billed annually by the Division of Pensions.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Early Retirement Incentive Program (cont'd) – As of September 30, 2016, the accrued liability to the PERS for the 1991 and 1993 programs were $365,492.00 and $406,273.00, respectively. As of September 30, 2015, the accrued liability to the PERS for the 1991 and 1993 programs were $430,304.00 and $423,339.00 respectively. The Commission incurred and recorded the costs the year the programs were adopted and have made all payments annually. The current year payments for the 1991 and 1993 programs were $64,812.00 and $17,066.00, respectively. The payments for the fiscal year ending September 30, 2015 for the 1991 and 1993 programs were $62,925.00 and $16,569.00, respectively. The payments are scheduled to increase 4% annually.

Post-Employment Benefits

Plan Description - The Burlington County Bridge Commission provides medical benefits to employees that have retired from the Commission. The Commission provides family prescription and medical insurance, a $5,000.00 life and accidental death insurance policy, and 50% of the Medicare B premium, if eligible, deducted from the employee's social security check for both the employee and the spouse.

As of September 30, 2016, there were 106 active employees and 140 retirees, surviving spouses and dependents participants. One hundred percent of all future eligible retirees will be covered by the medical and life insurance plans as well as be reimbursed for 50% of their Medicare part B premiums, if eligible. The benefits are determined by negotiated contract of each collective bargaining unit. As a result, changes can only be made through a negotiated process agreed upon by the Union and the Commission. Benefits for administrative personnel are determined by the Commissioner's since they are not represented by a collective bargaining unit.

Funding Policy - The contribution requirement of the Commission is the established policy of the Commission and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements Plan members are not required to make any contributions to the plan.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Commission is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be $2,951,300.00 at an unfunded discount rate of 5.0%. . For the fiscal year ending September 30, 2016, the Commission has funded the cost of existing retirees in the amount of $1,320,117.61 contributed to the plan for current premiums and Medicare part B reimbursements. The Commission has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For fiscal year 2016, the Commission's annual OPEB cost (expense) of $2,793,100.00 for the plan was equal to the ARC plus certain adjustments because the Commission's actual contributions in prior years differed from the ARC.

The Commission's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for fiscal years 2016, 2015, and 2014 are listed on the following page.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Post-Employment Benefits (Cont'd)

Annual OPEB Cost (cont'd)

	2016	2015	2014
Normal Cost	$ 968,000.00	$ 968,000.00	$ 911,700.00
Amortization Payment	1,983,300.00	1,983,300.00	1,874,900.00
Interest on Net OPEB Obligation	525,200.00	525,200.00	383,200.00
Adjustment to ARC	(683,400.00)	(683,400.00)	(498,500.00)
Annual OPEB Cost	2,793,100.00	2,793,100.00	2,671,300.00
Contributions Made	(1,320,117.61)	(1,192,254.49)	(1,220,666.39)
Net OPEB Obligation - Beginning of Year	12,233,279.12	10,632,433.61	9,181,800.00
Net OPEB Obligation - End of Year	$ 13,706,261.51	$ 12,233,279.12	$ 10,632,433.61

Funded Status and Funding Progress - The funded status of the plan as of September 30, 2016, was as follows:

Actuarial Accrued Liability (AAL)	$ 30,487,800.00
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 30,487,800.00
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0%
Covered Payroll (Active Plan Members)	$ 7,847,725.00
UAAL as a Percentage of Covered Payroll	388%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Post-Employment Benefits (Cont'd)

Actuarial Methods and Assumptions (cont'd) - In the October 1, 2014 actuarial valuation, the projected unit credit cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The remaining amortization period at September 30, 2016, was twenty-two years. The actuarial assumptions included the following:

- *Mortality*: RP-2014 Headcount Weighted Combined Healthy Male / Female Mortality with Fully Generational Projection
- *Annual Discount Rate:* 5.0 % investment rate of return (net of administrative expenses)
- *Medical Trend (Pre-medicare)*: 5.9% and decreases to a 5.0% long-term trend rate after nine years
- *Medical Trend (Post-medicare):* 5.0%
- *Prescription Trend:* 9.5% and decreases to a 5.0% long-term trend rate after nine years
- *Medicare Part B Trend: 5.0%*

Note 5: CONDUIT DEBT OBLIGATIONS

The Commission is authorized to provide within the County, public facilities for use by the State, the County or any municipality in the County and to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease the same to governmental units. Utilizing this authorization, the Commission has issued certain debt bearing its name to lower the cost of borrowing for specific governmental entities. This debt is commonly referred to as conduit (or non-commitment) debt. Typically, the debt proceeds are used to finance facilities within the Commission's jurisdiction that are transferred to the third party either by lease or by sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made by the third-party directly to an independent trustee, who is appointed to service and administer the arrangement. The Commission assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

As of September 30, 2016, there were twenty-four series of Special Revenue Bonds outstanding. The corresponding aggregate principal totaling $336,570,000.00 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements.

Note 6: INTERGOVERNMENTAL AGREEMENTS

Burlington County Service Agreement

The Commission remitted $1,500,000.00 to Burlington County as set forth and described in an Interlocal Service Agreement approved on August 14, 2012. The funds were applied toward the operation and maintenance of County bridges and the network of roadways which feed the bridges under the Commission's jurisdiction.

Note 7: COMMITMENTS

Construction Contracts

The Commission had several outstanding or planned construction projects as of September 30, 2016. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Remaining
Tacony Palmyra Bascule Span Deck Replacement	$ 6,680,500.00	$ 105,000.00
Tacony Palmyra Bascule Span Deck Replacement, Phase 2	2,130,896.00	319,016.13
Burlington Bristol Bridge Mounted Structures Rehabilitation	2,829,096.83	1,692,721.59
Burlington Bristol Bridge Commercial Coating, Removal, Rehabilitation and Painting	14,686,100.00	13,792,879.95
Tacony Palmyra Bascule Span Mechanical Systems Rehab.	2,373,000.00	2,373,000.00
	$ 28,699,592.83	$ 18,282,617.67

Note 8: DEFERRED COMPENSATION SALARY ACCOUNT

The Commission offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Commission or its creditors. Since the Commission does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Commission's financial statements.

Note 9: Risk Management

Joint Insurance

The Bridge Commission presently purchases insurance through the Burlington County Insurance Commission. Excess insurance is managed by the New Jersey Counties Excess Joint Insurance Fund.

The Insurance Commission provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Through membership in the New Jersey Counties Excess Joint Insurance Fund, the County receives the following ancillary insurance coverage:

Public Officials Liability/Employment Practices Liability
Crime
Pollution Liability
Medical Professional Liability
Employed Lawyers Liability

Note 9: Risk Management

Joint Insurance (Cont'd)

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Bridge Commission's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the New Jersey Counties Excess Joint Insurance Fund for claims in excess of $50,000 to $200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended June 30, which can be obtained from:

Burlington County Insurance Commission
49 Rancocas Road
PO Box 6000
Mt Holly, New Jersey 08060

Note 10: CONTINGENCIES

Litigation - The Commission is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Commission, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 11: SUBSEQUENT EVENTS

Subsequent to September 30, 2016, the Commission authorized and issued Notes as follows:

Purpose	Date	Amount
Various Capital Projects	November 23, 2016	$ 49,525,000.00

Note 12: PRIOR PERIOD ADJUSTMENTS – RECLASSIFICATION OF DISBURSEMENTS

During the fiscal year ended September 30, 2015, the Commission incorrectly recorded costs incurred as part of the interlocal service agreement with Burlington County as major repairs. Those expenses should have been recorded as a receivable as Burlington County has agreed to reimburse the Commission.

The following represents the cumulative effects of the restatement on the respective financial statement balances of the Commission for the fiscal year ended September 30, 2015:

Statement of Net Position - September 30, 2015

	Previously Reported	Cumulative Effect - Increase / (Decrease)	Restated Balance
ASSETS			
Current Unrestricted Assets:			
Other Accounts Receivable	$ 78,073.79	$ 1,199,895.94	$ 1,277,969.73
Total Current Assets	60,526,699.65	1,199,895.94	61,726,595.59
Total Assets	161,135,562.59	1,199,895.94	162,335,458.53
NET POSITION			
Unrestricted	(14,193,405.65)	1,199,895.94	(12,993,509.71)
Total Net Position	$ 66,093,812.15	$ 1,199,895.94	$ 67,293,708.09

Note 12: PRIOR PERIOD ADJUSTMENTS – RECLASSIFICATION OF DISBURSEMENTS (CONT'D)

The following represents the cumulative effects of the restatement on the respective financial statement balances of the Commission for the fiscal year ended September 30, 2015 (Cont'd):

Statement of Revenues, Expenses and Changes in Net Position - September 30, 2015

	Previously Reported	Cumulative Effect - Increase / (Decrease)	Restated Balance
Operating Expenses:			
Major Repairs Expense	$ 7,166,422.30	$ (1,199,895.94)	$ 5,966,526.36
Total Operating Expenses	36,846,741.24	(1,199,895.94)	35,646,845.30
Operating Income	(2,045,368.85)	(1,199,895.94)	(845,472.91)
Change in Net Position	(4,136,250.45)	(1,199,895.94)	(2,936,354.51)
Net Position - Beginning	70,230,062.60		70,230,062.60
Net Position - Ending	$ 66,093,812.15	$ 1,199,895.94	$ 67,293,708.09

FISCAL YEAR 2015

BASIC FINANCIAL STATEMENTS

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
The Burlington County Bridge Commission
Palmyra, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey, a component unit of the County of Burlington (Commission), as of and for the fiscal years ending September 30, 2015 and 2014 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

6 North Broad Street | Suite 201 | Woodbury, NJ 08096 | P 856.853.0440 | F 856.845.4128 | www.bowmanllp.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey as of September 30, 2015 and 2014, and the changes in financial position and its cash flows thereof for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the fiscal year ended September 30, 2015, the Commission adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68*, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Because of the implementation of GASB Statements No. 68 and No. 71 and invoices that were received subsequent to the previous audit, net position as of September 30, 2013 on the statement of revenues, expenses and changes in net position has been restated, as discussed in note 11 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Commission's financial statements for the fiscal year ended September 30, 2015, includes certain supplementary information, including the required budgetary comparisons and management's discussion and analysis, that is not included with this presentation of the basic financial statements.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
July 8, 2016

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Net Position
As of September 30, 2015 and 2014

	2015	2014 (Restated)
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 24,841,204.99	$ 14,722,193.62
EZ-Pass Receivable	2,109,601.75	1,456,686.25
Other Accounts Receivable	78,073.79	153,094.81
Prepaid Expenses	429,871.03	573,046.60
Total Unrestricted Assets	27,458,751.56	16,905,021.28
Restricted Assets:		
Cash and Cash Equivalents	33,067,948.09	50,874,456.89
Total Current Assets	60,526,699.65	67,779,478.17
Noncurrent Assets:		
Capital Assets		
Completed (Net of Depreciation)	85,461,370.82	76,829,141.41
Improvements in Progress	15,147,492.12	19,718,282.89
Total Noncurrent Assets	100,608,862.94	96,547,424.30
Total Assets	161,135,562.59	164,326,902.47
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	$ 3,478,674.00	$ 941,051.50

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Net Position
As of September 30, 2015 and 2014

	2015	2014 (Restated)
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	$ 4,800,726.18	$ 3,164,761.76
Payments in Lieu of Taxes	21,502.47	
Accounts Payable - Related to Early Retirement Incentive Programs	81,878.00	79,494.00
Accounts Payable - Related to Pensions	939,862.00	949,508.00
Escrow and Retained Funds	294,344.98	299,989.10
Unearned Revenue	11,469.56	9,903.77
Total Current Liabilities Payable from Unrestricted Assets	6,149,783.19	4,503,656.63
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	1,690,249.72	
Accrued Interest Payable on Bonds	1,024,618.73	1,061,243.75
Reserve for Worker's Compensation Claims		32,132.00
Bridge System Revenue Bonds Payable	2,900,000.00	2,930,000.00
Total Current Liabilities Payable from Restricted Assets	5,614,868.45	4,023,375.75
Long-Term Liabilities Payable:		
Compensated Absences Payable	1,838,496.86	1,912,209.22
Net OPEB Obligation	12,233,279.12	10,632,433.61
Accrued Liabilities - Related to Early Retirement Incentive Programs	771,765.00	853,643.00
Accrued Liabilities - Related to Pensions	234,966.00	234,965.50
Net Pension Liability	24,540,233.00	21,564,408.00
Bridge System Revenue Bonds Payable	45,812,075.82	50,028,077.66
Total Long-Term Liabilities	85,430,815.80	85,225,736.99
Total Liabilities	97,195,467.44	93,752,769.37
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	1,324,957.00	1,285,122.00
NET POSITION		
Net Investment in Capital Assets	70,384,154.10	69,975,426.31
Restricted:		
State Unemployment Compensation		25,757.57
Bond Resolution Covenants	9,903,063.70	9,811,857.50
Unrestricted (Deficit)	(14,193,405.65)	(9,582,978.78)
Total Net Position	$ 66,093,812.15	$ 70,230,062.60

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended September 30, 2015 and 2014

	2015	2014 (Restated)
Operating Revenues:		
Tolls	$ 34,365,157.94	$ 32,910,092.54
Miscellaneous Revenue	436,214.45	495,252.78
Total Operating Revenues	34,801,372.39	33,405,345.32
Operating Expenses:		
Administration:		
Salaries and Wages	2,134,115.13	2,144,113.91
Employee Benefits	1,417,087.82	1,314,344.16
Other Expenses	1,599,140.18	1,525,369.27
Cost of Providing Service:		
Salaries and Wages	7,741,134.98	8,081,468.62
Employee Benefits	5,295,503.56	5,076,645.12
Other Expenses	7,007,260.90	6,998,260.14
Major Repairs Expense	7,166,422.30	2,385,495.39
Depreciation	4,486,076.37	4,945,898.46
Total Operating Expenses	36,846,741.24	32,471,595.07
Operating Income (Loss)	(2,045,368.85)	933,750.25
Non-Operating Revenues (Expenses):		
Investment Income	42,354.04	44,328.10
Contribution to County	(1,400,000.00)	(1,400,000.00)
Interest on Bonds	(733,235.64)	(716,593.26)
Loss on Disposal of Capital Assets		9,037.68
Total Non-Operating Revenues (Expenses)	(2,090,881.60)	(2,063,227.48)
Change in Net Position	(4,136,250.45)	(1,129,477.23)
Net Position - Beginning, as originally stated	70,230,062.60	93,256,174.83
Restatement (See Note 11)		(21,896,635.00)
Net Position - Beginning, as Restated	70,230,062.60	71,359,539.83
Change in Net Position	(4,136,250.45)	(1,129,477.23)
Net Position - Ending	$ 66,093,812.15	$ 70,230,062.60

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Cash Flows
For the Fiscal Years Ended September 30, 2015 and 2014

	2015	2014 (Restated)
Cash Flows from Operating Activities:		
Receipts from Customers and Users	$ 33,712,242.44	$ 32,836,174.54
Payments to Suppliers	(5,201,232.51)	(9,130,202.21)
Payments to Employees and Agencies	(14,617,386.50)	(15,018,256.72)
Provision for Major Repairs	(7,120,052.90)	(2,486,265.34)
Other Operating Receipts	428,882.62	996,014.38
Net Cash Provided by Operating Activities	7,202,453.15	7,197,464.65
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(8,407,253.46)	(15,468,608.11)
Retainage	(109,188.66)	(16,306.70)
Contributed Capital		98,397.00
Contribution to County	(1,400,000.00)	(1,400,000.00)
Bond Principal	(2,930,000.00)	(2,610,000.00)
Interest on Bonds	(2,085,862.50)	(2,090,771.41)
Net Cash Used in Capital and Related Financing Activities	(14,932,304.62)	(21,487,289.22)
Cash Flows from Investing Activities:		
Investment Income Receipts	42,354.04	47,370.44
Investment Principal Redemptions		2,133,866.76
Net Cash Provided by Investing Activities	42,354.04	2,181,237.20
Net Decrease in Cash and Cash Equivalents	(7,687,497.43)	(12,108,587.37)
Cash and Cash Equivalents at Beginning of Year	65,596,650.51	77,705,237.88
Cash and Cash Equivalents at End of Year	$ 57,909,153.08	$ 65,596,650.51

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION

Comparative Statements of Cash Flows

For the Fiscal Years Ended September 30, 2015 and 2014

	2015	2014 (Restated)
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	$ (2,045,368.85)	$ 933,750.25
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	4,486,076.37	4,945,898.46
Change in Assets and Liabilities:		
EZ-Pass Receivable	(652,915.50)	(73,918.00)
Other Accounts Receivable	(8,897.62)	496,433.01
Prepaid Expenses	143,175.57	4,329.29
Escrow and Retained Funds	46,369.40	(100,769.95)
Deferred Outflows Related to Pensions	(2,537,622.50)	(703,674.50)
Accounts Payable	3,261,993.00	(610,902.09)
Unearned Revenue	1,565.79	4,328.59
Post Employment Benefits - Other Then Pension	1,600,845.51	1,450,633.61
Reserve for Workers' Compensation Claims	(19,288.52)	(21,948.52)
Post Employment Benefits - Pensions	2,966,179.50	(334,638.50)
Early Retirement Incentive Program	(79,494.00)	(77,179.00)
Deferred Inflows Related to Pensions	39,835.00	1,285,122.00
Total Adjustments	9,247,822.00	6,263,714.40
Net Cash Provided by Operating Activities	$ 7,202,453.15	$ 7,197,464.65

The accompanying Notes to Financial Statements are an integral part of this statement.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

The financial statements of the Burlington County Bridge Commission (the "Commission") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Reporting Entity

The Commission is a component unit of the County of Burlington, State of New Jersey. The Commission was created by the Board of Chosen Freeholders of the County of Burlington on October 22, 1948 under the laws of the State of New Jersey. The Commission operates and maintains the Tacony-Palmyra and Burlington-Bristol Bridges that span the Delaware River along with several other non-toll producing bridges. The Commission was granted the power to act as an Improvement Authority during 2002 in order to provide within the County, public facilities for use by the State, the County or any municipality in the County and to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon. The Commission consists of three Commissioners, who are appointed by resolution by the Burlington County Board of Chosen Freeholders for three-year terms. The daily operations are managed by the Executive Director.

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Commission is a component unit of the County of Burlington, and it has been determined by the Commission that the following organization is considered a component unit. The Commission has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Friends of the Palmyra Nature Cove, Inc.
1300 Route 73 North,
PO Box 6
Palmyra, New Jersey 08065

Requests for financial information should be addressed to the organization listed above.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Presentation

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Commission is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Bridge toll charges are recognized as revenue when services are provided.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Commission must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Commission must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Commission budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Commission's fiscal year. The governing body may amend the budget at any point during the year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, bond issue costs, bond discounts, deferred loss on defeasance and the annual required contribution for the Commission's Other Postemployment Benefits ("OPEB") Plan are not included in the budget appropriations.

The legal level of budgetary control is established at the detail shown on the Statements of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Commission as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting (Cont'd)

The Commission records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Commission has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Inventories

Inventory consists principally of road deicer for the treatment of the bridge and the surrounding roads and is valued at cost.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

Prepaid Expenses

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable fiscal year end.

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Commission. Assets purchased prior to June 30, 1993 are stated at estimated cost. Assets purchased since are stated at actual cost. Donated capital assets are recorded at their fair market value as of the date received.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the year that the project is completed, these costs are transferred to Capital Assets - Completed. Interest costs incurred during construction are not capitalized into the cost of the asset.

Expenditures are capitalized when they meet the following requirements:

1) Cost of $25,000.00 or more
2) Cost of $5,000.00 or more if purchased with Federal or State grants
3) Vehicles with a cost of $15,000.00 or more
4) Useful life of more than five years
5) Asset is not affected by consumption

Depreciation

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	Years
Building and Infrastructure	40-100
Major Moveable Equipment	5-15
Vehicles	5-7

Depreciation is calculated from the month of acquisition.

Bond Discounts/Bond Premiums

Bond discounts/premiums arising from the issuance of long-term debt are amortized over the life of the bonds by, in a systematic and rational method as a component of interest expense. Bond discounts/ premiums are presented as an adjustment of the face amount on the bonds.

Deferred Outflows and Deferred Inflows of Resources

The comparative statements of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred Outflows and Deferred Inflows of Resources (Cont'd)

Transactions are classified as deferred outflows of resources and deferred inflow of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Commission is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans – The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Commission's proportion of expenses and liabilities to the pension as a whole, differences between the Commission's pension contribution and its proportionate share of contributions, and the Commission's pension contributions subsequent to the pension valuation measurement date.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Commission and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Commission and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Commission is eligible to realize the revenue.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Commission has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Position (Cont’d)

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” This component includes net position that may be allocated for specific purposes by the Commission’s Board.

Income Taxes

The Commission operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from facility charges (i.e., toll revenues, which include E-Z Pass revenues) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.

Operating expenses include expenses associated with the operation, maintenance and repair of the bridges and general administrative expenses. Non-operating expenses principally include expenses attributable to the Commission’s interest on funded debt and contributions to Burlington County.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued and Adopted Accounting Pronouncements

For the fiscal year ended September 30, 2015, the Commission adopted GASB 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. As a result of adopting such Statements, the Commission was required to measure and recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled $21,896,635.00, and was recognized as a restatement of the Commission’s September 30, 2013 net position on the statements of net position (see note 11).

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement is effective for periods beginning after June 15, 2015. Management has not yet determined the impact of this Statement on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recently Issued Accounting Pronouncements (Cont'd)

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. Components of this Statement are effective for periods beginning after June 15, 2015 and 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement is effective for periods beginning after June 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement is effective for periods beginning after June 15, 2017. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Statement is effective for periods beginning after June 15, 2015. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement is effective for periods beginning after December 15, 2015. Management does not expect this Statement will have an impact on the notes to the financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The Statement is effective for periods beginning after December 15, 2015. Management has not yet determined the impact of this Statement on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recently Issued Accounting Pronouncements (Cont'd)

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Management does not expect this Statement will have an impact on the notes to the financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement is effective for periods beginning after June 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements.* This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for periods beginning after December 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73.* This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management has not yet determined the impact of this Statement on the financial statements.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with finance related legal and contractual provisions

Management of the Commission is unaware of any material violations of finance related legal and contractual provisions.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

General Bond Resolution

The Commission is subject to the provisions and restrictions of a Bond Resolution adopted April 27, 1993. A summary of the activities of each account created by the Bond Resolution is covered below.

Revenue Account - All money collected by the Commission for bridge tolls or from any other source for operating, maintaining or repairing the system is deposited in this account. All revenues of the Commission are deposited into this account and are transferred in turn to the appropriate trust account on or before the 20th day of each month.

Operating Account - The balance on deposit must be equal to at least 10% of the annual budgeted appropriations for operating expenses, not including principal payments on debt. At September 30, 2015, the balance in the operating account meets the requirements of the Bond Resolution.

Debt Service Account - The amount on deposit in this account must equal at least the accrued interest payable on the Bridge System Revenue bonds plus that portion of the principal installment, which would have accrued if principal accrued in the same manner as interest. At September 30, 2015, the balance meets the requirements of the Bond Resolution.

Debt Reserve Account - The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service. The balance on September 30, 2015 meets the requirements of the Bond Resolution.

Reserve Maintenance Account – The amount on deposit in this account must be equal to the greater of $500,000.00 or a larger amount if certified as necessary by the Consulting Engineer. Amounts in this account may be applied to the cost of major or extraordinary repairs, renewals and replacements of the Bridge System and major acquisitions of equipment. Additionally, the Commission received insurance proceeds for damage to the bride fender system. These funds are held in trust and utilized for the repair and maintenance of the fender system. At September 30, 2015, the balance meets the requirements of the Bond Resolution.

General Reserve Account – All excess funds of the Commission are recorded in the General Reserve Account. If the Commission is not in default in the payment of bond principal or interest and all fund requirements are satisfied and there is no money owing to the County under the Security Agreement (See Note 4), then the Commission may use the excess funds for any lawful purpose. The Commission Board has internally designated $4,001,315.46 of the General Reserve Account for the repainting of Commission bridges. Since the designation for the repainting of the bridges is internal only, it is not recorded as restricted in the financial statements.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)

Debt Service Coverage

The Commission's Bond Resolution requires that net revenues equal at least 105% of debt service. Compliance with this covenant is calculated as follows:

	2015		2014	
Net Revenue:				
Operating Income (Loss) (Exhibit B)	$ (2,045,368.85)		$ 933,750.25	
Add:				
Depreciation Expenses	4,486,076.37		4,945,898.46	
Major Repairs and Acquisitions	7,166,422.30		2,385,495.39	
Interest Revenue	42,354.04		44,328.10	
Net Revenue	$ 9,649,483.86		$ 8,309,472.20	
Debt Service				
Interest Charges	$ 2,049,237.48		$ 2,122,487.50	
Bond Principal (Due Oct. 1)	2,900,000.00		2,930,000.00	
Debt Service	$ 4,949,237.48		$ 5,052,487.50	
Net Revenue / Debt Service	$ 9,649,483.86 / $ 4,949,237.48	= 195%	$ 8,309,472.20 / $ 5,052,487.50	= 164%

Toll Increase

The Commission approved a toll increase effective September 15, 2015. Below are the new approved rates:

	Prior to September 15, 2015	Subsequent to Sept. 15, 2015	
	Cash & E-Z Pass	Cash	E-Z Pass
Auto, Lt. Trucks, Vans	$ 2.00	$ 4.00	$ 3.00
Buses or Dual Wheel Pickups:			
2 Axle	4.50	6.00	5.00
3 Axle	6.75	9.00	8.00
Extra Axle	1.50	3.00	2.00
Trucks:			
2 Axle	9.00	12.00	12.00
6 Axle		36.00	36.00
Extra Axle	4.50	6.00	6.00

Note 3: DETAIL NOTES - ASSETS

Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. Although the Commission does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Commission in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of September 30, 2015 and 2014, the Commission's bank balances were exposed to custodial credit risk as follows:

	2015	2014
Insured by FDIC & GUDPA	$ 25,465,883.80	17,257,209.57
Uninsured and Uncollateralized	33,066,872.47	50,830,248.58
Total	$58,532,756.27	$68,087,458.15

Required Cash and Investment Balances

Below is a schedule of amounts required to be on deposit as of September 30, 2015, as discussed in Note 2:

	Balance September 30, 2015	Required Balance	Excess/ (Deficit)
Unrestricted:			
Revenue Account	$ 3,284,863.59		$ 3,284,863.59
Operating Account	19,970,145.37	$ 2,691,076.20	17,279,069.17
General Reserve Account	1,586,196.03		1,586,196.03
	24,841,204.99	2,691,076.20	22,150,128.79
Restricted:			
Worker's Compensation	16,979.17		16,979.17
Unemployment			
Construction Fund	21,914,312.67		21,914,312.67
Debt Service	3,924,668.75		3,924,668.75
Debt Service Reserve	6,711,987.50	6,711,987.50	
Reserve Maintenance	500,000.00	500,000.00	
	33,067,948.09	7,211,987.50	25,855,960.59
	$ 57,909,153.08	$ 9,903,063.70	$48,006,089.38

Note 3: DETAIL NOTES – ASSETS (CONT'D)

Capital Assets

During the fiscal year ended September 30, 2015 and 2014, the following changes in capital assets occurred:

	Balance October 1, 2014	Additions and Transfers	Deletions	Balance September 30, 2015
Land	$ 2,323,076.92			$ 2,323,076.92
Bridges and Improvements	90,735,979.52	$ 9,186,165.32		99,922,144.84
Approaches	4,803,881.20			4,803,881.20
Buildings and Improvements	12,981,390.76	3,364,694.27		16,346,085.03
Equipment	20,710,480.36	504,012.79		21,214,493.15
Mobile Equipment	2,237,189.38	63,433.40	$ 49,624.25	2,250,998.53
	133,791,998.14	13,118,305.78	49,624.25	146,860,679.67
Less: Depreciation	56,962,856.73	4,486,076.37	49,624.25	61,399,308.85
	$ 76,829,141.41	$ 8,632,229.41	$ -	$ 85,461,370.82

	Balance October 1, 2013	Additions and Transfers	Deletions	Balance September 30, 2014
Land	$ 2,323,076.92			$ 2,323,076.92
Bridges and Improvements	85,481,428.80	$ 5,254,550.72		90,735,979.52
Approaches	4,803,881.20			4,803,881.20
Buildings and Improvements	12,603,598.49	377,792.27		12,981,390.76
Equipment	19,385,425.60	1,394,634.76	$ 69,580.00	20,710,480.36
Mobile Equipment	2,314,473.69	237,829.00	315,110.31	2,237,189.38
	126,911,884.70	7,264,806.75	384,690.31	133,791,998.14
Less: Depreciation	52,388,368.78	4,945,898.46	371,410.51	56,962,856.73
	$ 74,523,515.92	$ 2,318,908.29	$ 13,279.80	$ 76,829,141.41

Note 3: DETAIL NOTES – ASSETS (CONT'D)

Toll Revenues

The following is a three-year comparison of toll revenues:

Fiscal Year	Cash Collected	E-ZPass Transactions	Total Collections
2015	$ 17,576,367.94	$ 16,788,790.00	$ 34,365,157.94
2014	17,225,507.04	15,684,585.50	32,910,092.54
2013	18,095,703.60	15,558,025.25	33,653,728.85

Note 4: DETAIL NOTES - LIABILITIES

During the fiscal year ended September 30, 2015, the following changes occurred in long-term obligations:

	(Restated) Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015	(Memo) Due Within One Year
Bonds Payable:					
Revenue Bonds	$ 43,360,000.00		$ (2,900,000.00)	$ 40,460,000.00	$ 2,900,000.00
Issuance Premiums	6,668,077.66		(1,316,001.84)	5,352,075.82	1,231,046.34
Total Bonds Payable	50,028,077.66	$ -	(4,216,001.84)	45,812,075.82	4,131,046.34
Other Liabilities					
Net Pension Liability	21,564,408.00	2,975,825.00		24,540,233.00	
Accrued Pension Costs	1,088,608.50	867,630.50	(949,508.00)	1,006,731.00	81,878.00
Net OPEB Obiligation	10,632,433.61	2,793,100.00	(1,192,254.49)	12,233,279.12	
Compensated Absences	1,912,209.22		(73,712.36)	1,838,496.86	86,523.48
Total Other Liabilities	35,197,659.33	6,636,555.50	(2,215,474.85)	39,618,739.98	168,401.48
Total Long Term Liabilities	$ 85,225,736.99	$ 6,636,555.50	$ (6,431,476.69)	$ 85,430,815.80	$ 4,299,447.82

Compensated Absences

Full-time employees earn sick and vacation days based on years of service. Part-time employees are not entitled to paid vacation or sick days. Sick days are cumulative; however, vacation days not used during the fiscal year may only be carried forward until December 15th, of the following year. Operations employees may convert five sick and/or vacation days to cash on an annual basis as of December 15th. Additionally, Operations employees may use five sick days as personal days per year. Administrative employees may use four sick days as personal days per year. Upon retirement from the Commission, employees will be paid for all accrued sick and vacation time, eligible for payout, at their then current hourly rate. Administrative employees hired on or before May 1, 2005 who retire after April 13, 2010, cannot be paid for unused sick time in excess of the amount earned as of April 15, 2010. Administration employees and Operations employees hired after May 1, 2005 and April 1, 1998 respectively, have a maximum sick payout of $15,000.00. Employees tendering their resignation or terminated are only entitled to accrued vacation time at their then current hourly rate. The Commission's accrued liability for accumulated sick leave and vacation time at September 30, 2015 is estimated at $1,838,496.86 and September 30, 2014 is estimated at $1,912,209.22.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Retirement Systems

A substantial number of the Commission's employees participate in the Public Employees' Retirement System ("PERS"), which is administered by the New Jersey Division of Pensions and Benefits. In addition, Commission employees may participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
http://www.state.nj.us/treasury/pensions

General Information about the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Commission, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for a certain enrollment tier but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for certain enrollment tiers, but who earn salary of at least $5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 8 to 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Retirement Systems (Cont'd)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Commission's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Commission's contractually required contribution rate for the years ended September 30, 2015 and 2014 was 12.50% and 12.68% of the Commission's covered-employee payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Retirement Systems (Cont'd)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) – Contributions to the pension plan from the Commission were $939,862.00 and $949,508.00 for the years ended September 30, 2015 and 2014. Employee contributions were $531,174.71 and $514,173.74 for the years ended September 30, 2015 and 2014, respectively.

Defined Contribution Retirement Program – The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Commission's contribution amounts for each pay period, 3% of the employees' base salary, are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Contributions to the DCRP pension plan from the Commission were $15,745.63 and $14,957.29 for the years ended September 30, 2015 and 2014. Employee contributions were $29,702.38 and $25,760.14 for the years ended September 30, 2015 and 2014, respectively. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At September 30, 2015, the Commission reported a liability of $24,540,233.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Commission's proportion was 0.1093203713%, which was a decrease of 0.0058572866% from its proportion measured as of June 30, 2014.

For the years ended September 30, 2015 and 2014, the Commission recognized pension expense of $1,430,390.00 and 1,113,826.00, respectively.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Retirement Systems (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

At September 30, 2015 and 2014, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	September 30, 2015		September 30, 2014	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience	$ 585,444.00			
Changes of Assumptions	2,635,425.00		$ 678,101.00	
Net Difference between Projected and Actual Earnings on Pension Plan Investments		$ 394,560.00		$ 1,285,122.00
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions	22,839.00	930,397.00	27,985.00	
Commission Contributions Subsequent to the Measurement Date	234,966.00		234,965.50	
	$ 3,478,674.00	$ 1,324,957.00	$ 941,051.50	$ 1,285,122.00

The deferred outflows of resources related to pensions totaling $234,966.00 and $234,965.50 will be included as a reduction of the net pension liability in the years ended September 30, 2016 and 2015.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Retirement Systems (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System (Cont'd) - The Commission will amortize the other deferred outflows of resources and deferred inflows of resources related to PERS over the following number of years:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Retirement Systems (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

September 30, 2015		September 30, 2014	
Year Ending December 31,		Year Ending December 31,	
2016	$ 324,811.00	2015	$ (191,485.00)
2017	324,811.00	2016	(191,485.00)
2018	324,809.00	2017	(191,485.00)
2019	646,093.00	2018	(191,487.00)
2020	298,227.00	2019	129,795.00
		Thereafter	57,111.00
	$ 1,918,751.00		$ (579,036.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in PERS's target asset allocation as of June 30, 2015 is summarized in the table on the following page.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Retirement Systems (Cont'd)

Actuarial Assumptions (Cont'd)

Asset Class	Target Allocation %	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015 and 5.39% as of June 30, 2014. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015 and long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Retirement Systems (Cont'd)

Sensitivity of Commission's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability at September 30, 2015 calculated using a discount rate of 4.90%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	September 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Commission's Proportionate Share of the Net Pension Liability	$ 30,500,507.00	$ 24,540,233.00	$ 19,543,182.00

The following presents the Commission's proportionate share of the net pension liability at September 30, 2014 calculated using a discount rate of 5.39%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	September 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
Commission's Proportionate Share of the Net Pension Liability	$ 27,128,759.00	$ 21,564,408.00	$ 16,891,769.00

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

Early Retirement Incentive Program – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Commission's governing body (within a limited period of time), were available to employees who met certain minimum requirements. The governing body of the Commission approved the program on January 14, 1992, March 17, 1992 and November 9, 1993 for eligible members of the PERS. Seven employees applied for early retirement under the 1991 and 1993 programs. Program costs are billed annually by the Division of Pensions. As of September 30, 2015, the accrued liability to the PERS for the 1991 and 1993 programs were $430,304.00 and $423,339.00, respectively. As of September 30, 2014, the accrued liability to the PERS for the 1991 and 1993 programs were $493,229.00 and $439,908.00, respectively. The Commission incurred and recorded the costs the year the programs were adopted and have made all payments annually. The current year payments for the 1991 and 1993 programs were $62,925.00 and $16,569.00, respectively. The payments for the fiscal year ending September 30, 2014 for the 991 and 1993 programs were $61,092.00 and $16,087.00, respectively. The payments are scheduled to increase 4% annually.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Post-Employment Benefits

Plan Description - The Burlington County Bridge Commission provides medical benefits to employees that have retired from the Commission. The Commission provides family prescription and medical insurance, a $5,000.00 life and accidental death insurance policy, and 50% of the Medicare B premium, if eligible, deducted from the employee's social security check for both the employee and the spouse.

As of September 30, 2015, there were 106 active employees and 140 retirees, surviving spouses and dependents participants. One hundred percent of all future eligible retirees will be covered by the medical and life insurance plans as well as be reimbursed for 50% of their Medicare part B premiums, if eligible. The benefits are determined by negotiated contract of each collective bargaining unit. As a result, changes can only be made through a negotiated process agreed upon by the Union and the Commission. Benefits for administrative personnel are determined by the Commissioner's since they are not represented by a collective bargaining unit.

Funding Policy - The contribution requirement of the Commission is the established policy of the Commission and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ending September 30, 2015, the Commission contributed $1,192,254.49 to the plan for current premiums and Medicare part B reimbursements. Plan members are not required to make any contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation - The Commission's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contributed to the Burlington County Bridge Commission Plan, and changes in the Commission's net OPEB obligation to the Burlington County Bridge Commission Plan:

	2015	2014	2013
Normal Cost	$ 968,000.00	$ 911,700.00	$ 911,700.00
Amortization Payment	1,983,300.00	1,874,900.00	1,874,900.00
Interest on Net OPEB Obligation	525,200.00	383,200.00	383,200.00
Adjustment to ARC	(683,400.00)	(498,500.00)	(498,500.00)
Annual OPEB Cost	2,793,100.00	2,671,300.00	2,671,300.00
Contributions Made	(1,192,254.49)	(1,220,666.39)	(1,152,600.00)
Net OPEB Obligation - Beginning of Year	10,632,433.61	9,181,800.00	7,663,100.00
Net OPEB Obligation - End of Year	$ 12,233,279.12	$ 10,632,433.61	$ 9,181,800.00

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Post-Employment Benefits (Cont'd)

Funded Status and Funding Progress - As of October 1, 2014, the most recent actuarial valuation date, the Burlington County Bridge Commission Plan was 0% funded. The actuarial accrued liability for benefits was $30,487,800.00, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $30,487,800.00. The covered payroll (annual payroll of active employees covered by the plan) was $7,847,725.00, and the ratio of the UAAL to the covered payroll was 388%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Burlington County Bridge Commission Plan is funded and how this status has changed over the past several years.

The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The actuarial accrued liability under GASB is determined assuming that the Burlington County Bridge Commission Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 5.0 % investment rate of return (net of administrative expenses) and for pre-65 medical benefits, this amount initially is at 6.0% and decreases to a 5.0% long-term trend rate after ten years. For post-65 Direct Access medical benefits, the trend rate is 5.0%. For post-65 Medicare Advantage medical benefits, the trend rate is -5.0% in the first year, 10.0% in the second year and decreasing thereafter to a 5.0% long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 10.0% decreasing to a 5.0% long-term trend rate after ten years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The actuarial value of the Burlington County Bridge Commission Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The Burlington County Bridge Commission Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at September 30, 2015, was twenty-two years.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Lease Obligations

At September 30, 2015, the Commission has operating lease agreements in effect for copiers and a postage machine.

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

Fiscal Year		Amount
2016	$	18,528.24
2017		17,730.12
2018		14,243.88
2019		13,865.88
2020		8,088.43
	$	72,456.55

Current year payments under operating leases totaled $18,036.07.

Unearned Revenue

State and Local Grants - The Commission has received grants from the State of New Jersey for DWI enforcement, the purchase of body armor, and seatbelt safety. These grants are recorded as deferred revenue until the Commission expends the funds.

Revenue Bonds Payable - County Guaranteed Bridge System Revenue Bonds Series 2013

The Commission issued $46,290,000 of the Series 2013 Bonds pursuant to a resolution dated April 18, 2013 with interest rates ranging from 2.50% to 5.00%. The Bonds were issued to provide funds for the costs of various capital improvements to the Commission's Bridge System, funding the Debt Service Reserve Fund, and paying costs and expenses associated with the issuance of the Series 2013 Bonds.

The following schedule reflects the Debt Requirements until 2030.

Bond Year Ending Oct. 1,		Principal		Interest		Total	
2015	$	2,900,000.00	$	2,049,237.50	$	4,949,237.50	
2016		2,905,000.00		1,962,237.50		4,867,237.50	
2017		4,895,000.00		1,816,987.50		6,711,987.50	*
2018		4,760,000.00		1,572,237.50		6,332,237.50	
2019		4,605,000.00		1,334,237.50		5,939,237.50	
2020-2024		17,515,000.00		3,462,437.50		20,977,437.50	
2025-2029		5,500,000.00		520,912.50		6,020,912.50	
2030		280,000.00		9,100.00		289,100.00	
		43,360,000.00	$	12,727,387.50	$	56,087,387.50	
Adjustments:							
Premium on Bonds		5,352,075.82					
	$	48,712,075.82					

* Maximum Debt Service

Note 4: DETAIL NOTES – LIABILITIES (CONT’D)

Burlington County Guarantee

The Burlington County Board of Chosen Freeholders (the “Board”) adopted a resolution on April 28, 1993, as supplemented on March 28, 2001 (the “Prior County Guaranty”), which authorized the guaranty by the County of the payment, when due, of the principal of and interest on certain bonds of the Commission issued in 1993 and 2002 (collectively, the "Prior County Guaranteed Bonds"). The Board further adopted a resolution on November 14, 2012 (the “New County Guaranty” and together with the Prior County Guaranty, the “County Guaranty”) which authorized the guaranty by the County of the payment, when due, of the principal of and interest on the Bonds (the “New County Guaranteed Bonds” and together with the Prior County Guaranteed Bonds, the “County Guaranteed Bonds”). Pursuant to the terms of the County Guaranty, the County has covenanted to pay, when due, the principal of and interest on the outstanding County Guaranteed Bonds to the extent that the revenues or other moneys or securities or funds of the Commission are not available under the terms of the Resolution therefor.

The payments which are required by the County under the terms of the New County Guaranty will constitute the valid, binding, direct and general obligations of the County and are payable out of the first funds becoming legally available for such purpose. In the opinion of Bond Counsel to the Commission, the County has the power, and is obligated, to levy ad valorem taxes upon all the taxable real property within the jurisdiction of the County, for the purpose of making such payments under the New County Guaranty, as the same shall become due, without limitation as to rate or amount, if such funds are not otherwise available. The New County Guaranty will remain in full force and effect for as long as the Bonds remain outstanding.

Note 5: CONDUIT DEBT OBLIGATIONS

The Commission is authorized to provide within the County, public facilities for use by the State, the County or any municipality in the County and to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease the same to governmental units. Utilizing this authorization, the Commission has issued certain debt bearing its name to lower the cost of borrowing for specific governmental entities. This debt is commonly referred to as conduit (or non-commitment) debt. Typically, the debt proceeds are used to finance facilities within the Commission’s jurisdiction that are transferred to the third party either by lease or by sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made by the third-party directly to an independent trustee, who is appointed to service and administer the arrangement. The Commission assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

As of September 30, 2015, there were twenty-one series of Special Revenue Bonds outstanding. The corresponding aggregate principal totaling $348,840,000.00 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements.

Note 6: INTERGOVERNMENTAL AGREEMENTS

Burlington County Service Agreement

The Commission remitted $1,400,000.00 to Burlington County as set forth and described in an Interlocal Service Agreement approved on August 14, 2012. The funds were applied toward the operation and maintenance of County bridges and the network of roadways which feed the bridges under the Commission's jurisdiction.

Note 7: COMMITMENTS AND CONTINGENCIES

Construction Contracts

The Commission had several outstanding or planned construction projects as of September 30, 2015. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Remaining
Tacony Palmyra Bascule Span Deck Replacement	$ 6,680,500.00	$ 105,000.00
Tacony Palmyra Bascule Span Deck Replacement, Phase 2	2,130,896.00	319,016.13
Burlington Bristol Bridge Mounted Structures Rehabilitation	1,138,603.96	256,801.94
Tacony Palmyra Paving Project	294,541.10	46,369.40
Tacony Palmyra Powerhouse Replacement Project	1,934,731.88	22,723.72
Burlington Bristol Counterweight Repairs	2,226,400.00	262,317.96
	$ 14,405,672.94	$ 1,012,229.15

Litigation

The Commission is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Commission, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 8: DEFERRED COMPENSATION SALARY ACCOUNT

The Commission offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Commission or its creditors. Since the Commission does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Commission's financial statements.

Note 9: RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded coverage for the past several years.

The Commission has adopted a plan of self-insurance for workers compensation. The Commission charges its budget annually an amount estimated by the plan's administrator to meet current claims. The self-insurance plan includes an outside policy for excess coverage. The deductible is $250,000.00 per occurrence or an aggregate deductible of $766,000.00 or 200% of the annual premium, whichever is greater. There is no liability for unpaid claims as of September 30, 2015.

An analysis of the claims filed, incurred and paid is shown below.

Reserves at beginning of year	$ 32,132.00
Cancellations	(12,843.48)
	19,288.52
Claims Paid	19,288.52
Balance at end of year	$ -

Note 10: JOINT INSURANCE POOL

The Bridge Commission presently purchases insurance through the Burlington County Insurance Commission. Excess insurance is managed by the New Jersey Counties Excess Joint Insurance Fund.

The Insurance Commission provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Through membership in the New Jersey Counties Excess Joint Insurance Fund, the County receives the following ancillary insurance coverage:

Public Officials Liability/Employment Practices Liability
Crime
Pollution Liability
Medical Professional Liability
Employed Lawyers Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Bridge Commission's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the New Jersey Counties Excess Joint Insurance Fund for claims in excess of $50,000 to $200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended June 30, which can be obtained from:

Burlington County Insurance Commission
49 Rancocas Road
PO Box 6000
Mt Holly, New Jersey 08060

Note 11: RESTATEMENT OF NET POSITION

As indicated in note 1 to the financial statements, the Commission adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, for the fiscal year ended September 30, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position was required to record the Commission's proportionate share of its net pension liability.

Additionally, the Commission received invoices subsequent to the previous year audit that should have been recorded for the fiscal year ended September 30, 2014.

The cumulative effect on the financial statements as reported for September 30, 2013 is as follows:

		GASBS 68 and 71 Implementation			
	As Previously Reported December 31, 2013	Deferred Outflows (1)	Accounts Payable and Accrued Expense (2)	Net Pension Liability (3)	As Restated December 31, 2013
Net Position:					
Net Investment in Capital Assets	$ 63,597,859.79				$ 63,597,859.79
Restricted	9,871,234.67				9,871,234.67
Unrestricted (Deficit)	19,787,080.37	$ 237,377.00	$ (154,403.00)	$ (21,979,609.00)	(2,109,554.63)
Total Net Position	$ 93,256,174.83	$ 237,377.00	$ (154,403.00)	$ (21,979,609.00)	$ 71,359,539.83

(1) Represents the Commission's Proportionate Share of the PERS Plan Total Deferred Outflows of Resources at June 30, 2013 plus an Accrual for the Commission's June 30, 2014 PERS Plan Required Contribution (April 1, 2015 PERS Pension Invoice), Contribution Subsequent to the Measurement Date.

(2) Represents the Commission's Accounts Payable for the June 30, 2013 PERS Plan Required Contribution (April 1, 2014 PERS Pension Invoices), plus an Accrual for the Commission's June 30, 2014 PERS Plan Required Contribution (April 1, 2015 PERS Pension Invoice).

(3) Represents the Commission's Proportionate Share of the PERS, June 30, 2013 Net Pension Liability.

Note 11: RESTATEMENT OF NET POSITION (CONT'D)

The following represents the cumulative effects of the restatement on the respective financial statement balances of the Commission for the year ended September 30, 2014:

Statement of Net Position - September 30, 2014

	Previously Reported	Cumulative Effect - Increase / (Decrease)	Restated Balance
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	$ -	$ 941,051.50	$ 941,051.50
LIABILITIES			
Current Liabilities Payable from Unrestricted Assets:			
Accounts Payable - Related to Early Retirement Incentive Programs	-	79,494.00	79,494.00
Accounts Payable - Related to Pension	1,029,002.00	(79,494.00)	949,508.00
Long-term Liabilities:			
Net Pension Liability	-	21,564,408.00	21,564,408.00
Accrued Liabilities - Related to Pension	-	234,965.50	234,965.50
Total Long-term Liabilities	63,426,363.49	21,799,373.50	85,225,736.99
Total Liabilities	71,953,395.87	21,799,373.50	93,752,769.37
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	-	1,285,122.00	1,285,122.00
Total Deferred Inflows of Resources	-	1,285,122.00	1,285,122.00
NET POSITION			
Unrestricted	12,560,465.22	(22,143,444.00)	(9,582,978.78)
Total Net Position	$ 92,373,506.60	$ (22,143,444.00)	$ 70,230,062.60

Note 11: RESTATEMENT OF NET POSITION (CONT'D)

The following represents the cumulative effects of the restatement on the respective financial statement balances of the Commission for the year ended September 30, 2014 (Cont'd):

Statement of Revenues, Expenses and Changes in Net Position - September 30, 2014

	Previously Reported	Cumulative Effect - Increase / (Decrease)	Restated Balance
Operating Expenses:			
Administration:			
Employee Benefits	$ 1,264,982.36	$ 49,361.80	$ 1,314,344.16
Cost of Providing Service:			
Employee Benefits	4,879,197.92	197,447.20	5,076,645.12
Total Operating Expenses	32,224,786.07	246,809.00	32,471,595.07
Operating Income	1,180,559.25	(246,809.00)	933,750.25
Change in Net Position	(882,668.23)	(246,809.00)	(1,129,477.23)
Net Position - Beginning	93,256,174.83	(21,896,635.00)	71,359,539.83
Net Position - Ending	$ 92,373,506.60	$ (22,143,444.00)	$ 70,230,062.60

Note 12: SUBSEQUENT EVENTS

Subsequent to September 30, 2015, the Commission authorized and issued Notes as follows:

Purpose	Date	Amount
Various Capital Projects	December 29, 2015	$ 49,820,000.00

APPENDIX D

COPY OF THE SENIOR BOND RESOLUTION

RESOLUTION NO. 2017-73

BURLINGTON COUNTY BRIDGE COMMISSION FIFTH SUPPLEMENTAL BRIDGE SYSTEM REVENUE BOND RESOLUTION RELATING TO COUNTY GUARANTEED BRIDGE SYSTEM REVENUE BONDS, SERIES 2017 ADOPTED ON JULY 19, 2017.

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FIFTH SUPPLEMENTAL
BRIDGE SYSTEM REVENUE BOND RESOLUTION

NOW, THEREFORE, BE IT RESOLVED by the Burlington County Bridge Commission as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101 Supplemental Resolution. This resolution is supplemental to, and is adopted in accordance with Article II and Article X of, a resolution adopted by the Commission on April 27, 1993, entitled "Bridge System Revenue Bond Resolution", as amended and supplemented (the "Resolution").

102 Definition. 1. Except as otherwise provided in this Fifth Supplemental Resolution, all terms which are defined in Section 101 of the Resolution shall have the same meanings, respectively, in this Fifth Supplemental Resolution as such terms are given in said Section 101 of the Resolution.

2. In this Fifth Supplemental Resolution:

"2017 Capital Program" means the program of capital improvements to the Bridge System as described in Section 201.2.

"2017 Project Fund" shall mean a special subaccount within the Construction Fund to hold a portion of the proceeds of the Series 2017 Bonds as determined in accordance with Section 201.8

"Bond Purchase Contract" means the Bond Purchase Contract entered into between the Commission and the Underwriters relating to the purchase by the Underwriters of the Series 2017 Bonds.

"County Guaranty" means the guaranty of the County unconditionally guaranteeing the punctual payment of the principal of and interest on the Series 2017 Bonds, as approved by the Board of Chosen Freeholders of the County pursuant to the County Guaranty Resolution, as the same may be amended from time to time.

"County Guaranty Resolution" means the resolution of the Board of Chosen Freeholders of the County authorizing the County Guaranty as finally adopted on July __, 2017.

"Fifth Supplemental Resolution" means this Fifth Supplemental Bridge System Revenue Bond Resolution.

"Official Statement" means the Official Statement of the Commission relating to the Series 2017 Bonds.

"Preliminary Official Statement" means the Preliminary Official Statement of the Commission relating to the Series 2017 Bonds.

"Security Agreement" means the Reimbursement and Security Agreement between the Commission and the County dated as of June 1, 1993 as amended and supplemented by the Supplemental Reimbursement and Security Agreement dated as of the date of the Series 2017 Bonds.

"Series 2017 Bonds" means the Commission's County Guaranteed Bridge System Revenue Bonds, Series 2017, authorized by Article II of this Fifth Supplemental Resolution.

"Underwriters" shall mean underwriters selected in accordance with Section 201 hereof.

103 Authority for this Fifth Supplemental Resolution.

This Fifth Supplemental Resolution is adopted (i) pursuant to the provisions of the Act, and (ii) in accordance with Article II and Article X of the Resolution.

ARTICLE II

DETAILS OF THE SERIES 2017 BONDS

201 Series 2017 Bonds. 1. There is hereby authorized an issue of Bonds under the Resolution which shall be designated and shall be distinguished from the Bonds of all other Series by the title, "County Guaranteed Bridge System Revenue Bonds, Series 2017" and which shall be in the aggregate principal amount not to exceed $60,000,000.

2. The Series 2017 Bonds shall be issued for the purposes of (i) permanently financing in the Costs of the Bridge System, including the project delineated on a list prepared and filed with the Executive Director of the Commission and attached hereto as Exhibit A, and including all costs appurtenant thereto and necessary therefore, including payment and defeasance of the Commission's outstanding $49,525,000 County Guaranteed Bridge System Subordinated Revenue Notes, Series 2016, dated November 23, 2016 and maturing on November 16, 2017 (the "2017 Capital Program"), (ii) making a deposit into the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Requirement, and (iii) paying the costs of authorization, issuance, sale and delivery of the Series 2017 Bonds.

3. The Commission hereby determines that the Chairman, the Vice Chairman, the Treasurer and the Executive Director (each an "Authorized Commission Official") are each hereby designated and authorized to sell and to award the Series 2017 Bonds on behalf of the Commission to the purchasers thereof, including the power to determine, among other things:

(a) the principal amount of Series 2017 Bonds to be issued;
(b) the time and the manner of sale of the Series 2017 Bonds;
(c) the dated date and the maturity dates of the Series 2017 Bonds and the provisions pertaining to redemptions thereof and/or Sinking Funds Installments established therefor;
(d) the rate or rates of interest for the Series 2017 Bonds;
(e) the Underwriters for the Series 2017 Bonds; and
(f) such other terms and conditions as may be necessary or related to the sale of the Series 2017 Bonds;

provided, however, that (i) the aggregate principal amount of the Series 2017 Bonds shall not exceed the principal amount authorized by this Section 201 (inclusive of original issue discount), (ii) the Series 2017 Bonds shall mature on October 1 and the final maturity date of the Series 2017 Bonds shall not be later than October 1, 2039, (iii) the underwriter's discount for the Series 2017 Bonds shall not exceed $6.00 per $1,000 principal amount thereof (exclusive of counsel fees and expenses); and (iv) the Redemption Price of any 2017 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2017 Bonds or a portion thereof to be redeemed, plus accrued interest to the date of redemption.

The sale and award of the Series 2017 Bonds by an Authorized Commission Official shall be evidenced by the execution of an Award Certificate dated as of the date of the sale and the award of the Series 2017 Bonds and such Award Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following such sale and award as evidence of the terms and details of the sale of such Series 2017 Bonds. Any Authorized Commission Official is hereby authorized to select a Bond Insurer, if any, for the Series 2017 Bonds (to the extent that such Authorized Commission Official determines that bond insurance for the Series 2017 Bonds is necessary and desirable in order to market the Series 2017 Bonds), to execute a commitment letter for the issuance of a Bond Insurance Policy by such Bond Insurer (or a Certificate evidencing selection of the Bond Insurer), to carry out the Commission's obligations thereunder (including payment of the premium for the Bond Insurance Policy), and to accept terms and conditions relating to the Series 2017 Bonds required by the Bond Insurer as a condition to issuance of the Bond

Insurance Policy and to incorporate such terms and conditions in the Award Certificate, as such Authorized Commission Official deems necessary and appropriate with the advice of Bond Counsel.

4. The Series 2017 Bonds shall be dated, shall mature on October 1 in each of the years and in the principal amounts, and shall bear interest from their date, payable on April 1 and October 1 in each year, at the rates per annum, as set forth in the Award Certificate.

5. The Series 2017 Bonds shall initially be issued as Book Entry Bonds and The Depository Trust Company, New York, New York, shall be the Securities Depository for such Series 2017 Bonds. U.S. Bank, N.A. is hereby appointed Registrar and Paying Agent for the Series 2017 Bonds.

6. For so long as the Series 2017 Bonds are Book Entry Bonds, the principal and Redemption Price of and interest on the Series 2017 Bonds shall be payable in the manner provided in any agreement between the Commission and the Securities Depository for the Series 2017 Bonds. If the Series 2017 Bonds are no longer Book Entry Bonds, the principal and Redemption Price of the Series 2017 Bonds shall be payable at the principal corporate trust office of First Union National Bank, as Paying Agent. If the Series 2017 Bonds are no longer Book Entry Bonds, interest on the Series 2017 Bonds shall be payable by check or draft mailed by the Trustee to the Owners thereof as of the Record Date at the address of such Owners appearing on the registration books of the Commission maintained by the Registrar. Upon the written request of an Owner of at least $1,000,000 in aggregate principal amount of Outstanding Series 2017 Bonds received by the Trustee on or prior to the tenth day preceding the Record Date, payment of the principal or Redemption Price of and interest on such Series 2017 Bonds, as applicable, shall be made by wire transfer of immediately available funds by the Trustee on the interest payment date for the Series 2017 Bonds to an account designated by such Owner in such request.

7. The Series 2017 Bonds shall be issued in registered form in the denomination of $5,000 or any integral multiple thereof and shall be numbered from one upward, preceded by the letter "R" prefixed to the number.

8. The proceeds, including accrued interest, of the Series 2017 Bonds shall be paid to the Trustee and applied simultaneously with the initial issuance and delivery of the Series 2017 Bonds in accordance with an order of the Commission as follows:

(A) There shall be deposited in the Debt Service Fund, an amount equal to the interest accrued on the Series 2017 Bonds to the date of initial issuance and delivery of the Series 2017 Bonds;

(B) The Commission hereby establishes and creates a special account within the Construction Fund to be called the 2017 Project Fund and there shall be deposited in the 2017 Project Fund, the amounts raised to undertake the 2017 Capital Program.

(C) There shall be deposited into the Debt Service Reserve Fund, the amount necessary so that the amount on deposit in the Debt Service Reserve Fund on the date of initial issuance and delivery of the Series 2017 Bonds will equal the Debt Service Reserve Requirement; and

(D) The balance of the proceeds of the Series 2017 Bonds shall be deposited in the 2017 Costs of Issuance Fund.

202 2017 Costs of Issuance Account. The Commission hereby establishes and creates a special account to be held by the Trustee and maintained under the Resolution, designated as the "2017 Costs of Issuance Account," in which shall be deposited the amount specified to be deposited therein in an order of the Commission. Amounts held in the 2017 Costs of Issuance Account shall be withdrawn from said Account for application to the payment of costs of issuance of the Series 2017 Bonds, all in accordance with requisitions signed by an Authorized Official of the Commission and filed with the Trustee. Any amount remaining in the 2017 Costs of Issuance Account 90 days after the issuance and delivery of the Series 2017 Bonds shall on that date or as soon as practicable thereafter be withdrawn therefrom and deposited in the Revenue Fund.

203 Provisions Relating To the County Guaranty. 1. So long as the Series 2017 Bonds are Outstanding, the payment of principal of and interest on the Series 2017 Bonds shall be unconditionally and irrevocably guaranteed by the County in accordance with the County Guaranty. The County Guaranty shall be printed on the Series 2017 Bonds and shall be duly executed by the manual or facsimile signature of an authorized officer of the Board of Chosen Freeholders.

2. The Commission hereby assigns its right to receive any payments which are to be made by the County pursuant to the terms of the County Guaranty to the Trustee. Upon receipt by the Trustee of any monies by the County pursuant to the terms of the County Guaranty, the Trustee shall deposit such monies in a separate account which shall be established in the Debt Service Fund and applied to the payment of principal of and interest on the Series 2017 Bonds.

3. In addition to the documents required to be delivered to the Trustee pursuant to Section 202 of the Resolution, there shall also be delivered to the Trustee:

(1) A certified copy of the County Guaranty Resolution; and

(2) An opinion of the counsel to the County to the effect that (i) the County has the right and power to adopt (i) the County Guaranty Resolution and the County Guaranty Resolution has been duly and lawfully adopted by the County and is in full force and effect and is valid and binding upon the County in accordance with its terms, and no other authorization for the County Guaranty is required; (ii) any payments which are required to be made by the County pursuant to the provisions of the County Guaranty constitute valid and binding obligations of the County and the County has the power and is obligated to levy ad valorem taxes upon all taxable real property in the County without limitation as to rate or amount in order to raise funds for the purpose of making any payments which are required to be made under the terms of the County Guaranty if other funds are not otherwise available; (iii) the Series 2017 Bonds constitute obligations which are entitled to the benefits of the County Guaranty and pursuant to the terms of the County Guaranty, the County must pay amounts which are sufficient to pay the principal of and interest on the Series 2017 Bonds if such principal and/or interest is not paid by the Commission or from certain available reserves under the Resolution; and (iv) the County has the right and power to enter into the Security Agreement which has been duly and lawfully authorized and executed by the County and is valid and binding upon the County enforceable in accordance with its terms and no other authorization for the Security Agreement is required; provided, however, that such opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the 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.

204 Form of Series 2017 Bonds and Trustee's Certificate of Authentication. Subject to the provisions of the Resolution, the form of the Series 2017 Bonds and the Trustee's certificate of authentication shall be of substantially the following tenor:

No. R- $__________

UNITED STATES OF AMERICA
STATE OF NEW JERSEY

COUNTY OF BURLINGTON

BURLINGTON COUNTY BRIDGE COMMISSION

COUNTY GUARANTEED BRIDGE SYSTEM REVENUE BONDS, SERIES 2017

Interest Rate	Maturity Date	Dated Date	CUSIP
%			

Registered Owner:

Principal Sum: Dollars

BURLINGTON COUNTY BRIDGE COMMISSION (the "Commission"), a public body corporate and politic, created and existing under and by virtue of the laws of the State of New Jersey, including the provisions of Chapter 17 of the Laws of 1934 of the State of New Jersey (N.J.S.A. 27:19-26, et seq.), and the acts amendatory or supplemental thereto (the "Act"), 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 First Union National Bank, as Trustee and Paying Agent (such bank and any successors thereto being herein called the "Trustee" or 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 April 1 and October 1 in each year, commencing October 1, 20__, until the Commission's obligation with respect to the payment of such Principal Sum shall be discharged, to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth day (or, if such day shall not be a Business Day, the preceding Business Day) next preceding such interest payment date (the "Record Date") on the books of the Commission maintained by the Registrar; provided, however, that upon the written request of any registered owner of at least $1,000,000 in aggregate principal amount of Series 2017 Bonds, as such term is hereinafter defined, received by the Trustee, on or prior to the tenth day preceding the applicable Record Date payment of the interest due on such Series 2017 Bonds shall be made by wire transfer of immediately available funds on any interest 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 Commission designated "County Guaranteed Bridge System Revenue Bonds, Series 2017 (herein called the "Series 2017 Bonds"), in the aggregate principal amount of $60,000,000, issued under and in compliance with the Act, and under and pursuant to a Resolution adopted by the Commission on April 27, 1993, as amended and supplemented, entitled "Bridge System Revenue Bond Resolution" (said Resolution herein called the "Resolution"). Capitalized terms used in this bond which are not otherwise defined herein shall have the meaning given to such terms in the Resolution.

As provided in the Resolution, the Series 2017 Bonds, and all other bonds issued under the Resolution on a parity with the Series 2017 Bonds (herein collectively called the "Bonds") are special obligations of the Commission 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 Pledged Property, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Pledged Property under the Resolution includes the Construction Fund, the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, and the Reserve Maintenance Fund, including Investment

Securities held in any Fund under the Resolution, together with all proceeds and revenues of the foregoing and all of the Commission's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Commission and at the above mentioned office of the Trustee, and reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this Bond shall cease to be entitled to any lien, benefit or security under the Resolution and for the other terms and provisions thereof. All covenants, agreements and obligations of the Commission 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 as provided in the Resolution.

As provided in the Resolution, Bonds may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution. To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof supplemental thereto, may be modified or amended by the Commission, with the written consent of the owners of at least a majority in principal amount of the Bonds Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several series of Bonds then Outstanding are affected thereby, with such consent of at least a majority 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 under the Resolution, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption (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 owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners 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 Commission kept for that purpose at the above-mentioned office of the Trustee, as 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 Registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Commission, the Trustee and any Paying Agent may deem and treat the Registered Owner of this Bond 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 2017 Bonds maturing on and after October 1, 20__ are subject to redemption prior to maturity, upon mailed notice as hereinafter provided, (i) by operation of the Debt Service Fund established under the Resolution to satisfy sinking fund installments established for the Series 2017 Bonds maturing October 1, 20__, on each October 1 on and after October 1, 20__ at a redemption price equal to the principal amount thereof together with accrued interest to the redemption date, and (ii) otherwise, at the option of the Commission, in whole or in part as directed by the Commission on any date on or after October 1, 20__, at the respective redemption prices (expressed as percentages of the principal amount of the bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

Redemption Date	Redemption Prices
October 1, 20___ through September 30, 20__	%
October 1, 20___ and thereafter	

The Series 2017 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 30 nor more than 60 days prior to the redemption date, to the 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, monies 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 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 principal, premium, if any, and interest on the Series 2017 Bonds are payable solely from the Pledged Property (as defined in the Resolution) and neither the State of New Jersey nor any political subdivision thereof, other than the Commission, is obligated to pay the principal, premium, if any, or interest on this Bond and the series of Bonds of which it is one and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on this Bond or the series of Bonds of which it is one. The payment of the principal of and interest on this Bond has been guaranteed by the County of Burlington, New Jersey (the "County") under the terms of a resolution of the County which was finally adopted by the Board of Chosen Freeholders of the County on July __, 2017 (the County Guaranty).

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 one, together with all other indebtedness of the Commission, 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, BURLINGTON COUNTY BRIDGE COMMISSION, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman, and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary, all as of the Dated Date hereof.

BURLINGTON COUNTY BRIDGE COMMISSION

BY: ______________________
Chairman

[SEAL]

Attest:

Kathleen M. Hiseman

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds delivered pursuant to the within mentioned Resolution.

U.S. BANK, N.A., as Trustee

By: ______________________________
Authorized Officer

(FORM OF COUNTY GUARANTY)

COUNTY OF BURLINGTON, NEW JERSEY

The undersigned, COUNTY OF BURLINGTON, NEW JERSEY (the "County") hereby unconditionally guarantees to the holder of the bond upon which this Guaranty is enclosed the due and punctual payment of the principal of and interest on said bond, when and as the same shall become due and payable, whether at maturity, by redemption, upon acceleration or otherwise.

Except insofar as the enforcement of this Guaranty may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the County hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of any or all of the obligations, the absence of any action to enforce same, the waiver or consent by the holder of any bond, or any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a guarantor and irrespective of any other circumstance which might otherwise limit the recourse against the County by the holder of any bond.

The full faith and credit of the County are hereby pledged for the payment of the County's obligations under this Guaranty and there shall be levied ad valorem taxes on all taxable property within the County without limit as to rate or amount sufficient to pay the County's obligations under this Guaranty.

Unless this Guaranty has been executed in the name of the County and on its behalf by an authorized officer of the County, the Guaranty shall not be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the County has caused this Guaranty to be duly executed.

COUNTY OF BURLINGTON, NEW JERSEY

By: ______________________________
Authorized Officer

ARTICLE III

SALE OF SERIES 2017 BONDS

301 Approval of Bond Purchase Contract. The Series 2017 Bonds shall be sold to the Underwriters at the purchase price and on the terms and conditions set forth in the Bond Purchase Contract. The Authorized Commission Officials be, and each of them hereby is, authorized on behalf of the Commission to approve and execute the Bond Purchase Contract, with the advice of Bond Counsel, and to deliver it to the Underwriters and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Bond Purchase Contract and to take all action contemplated to be taken by the Commission pursuant to the terms of the Bond Purchase Contract. The execution and delivery of the Bond Purchase Contract shall be deemed to constitute approval by the Commission of the final terms and conditions of the Bond Purchase Contract.

302 Approval of Preliminary Official Statement and Official Statement. The Preliminary Official Statement, in substantially the form submitted to this meeting and hereby made a part of this Fifth Supplemental Resolution as though set forth in full herein, is hereby approved. The Authorized Commission Officials be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the final Official Statement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Official Statement, said execution being conclusive evidence of such approval, and any amendments or supplements to the Official Statement as may be necessary or desirable in order to comply with the provisions of the Bond Purchase Contract. After execution, the officer of the Commission executing the Official Statement is hereby authorized to deliver to the Underwriters an executed copy or copies of the Official Statement and any amendments or supplements thereto as required by the Bond Purchase Contract.

The Preliminary Official Statement is hereby "deemed final" by the Commission as of its date for the purpose of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities and Exchange Act of 1934 ("Rule 15c2-12").

303 Continuing Disclosure. In order to comply with Rule 15c:2-12, the Authorized Commission Officials be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Continuing Disclosure Agreement, said execution being conclusive evidence of such approval.

304 Authorization of Other Officers. The Chairman, the Vice Chairman, the Secretary, the Treasurer, any other member of the Commission, the Executive Director and the Chief Financial Officer, and any other proper official of the Commission, be and each of them hereby is, authorized and directed to execute and deliver, on behalf of the Commission, any and all documents, instruments and papers, and to do and cause to be done any and all acts and things as may be necessary or advisable for carrying out the transactions contemplated by, the Resolution, this Fifth Supplemental Resolution, the Bond Purchase Contract and the Official Statement.

ARTICLE IV

RESOLUTION TO REMAIN IN EFFECT; EFFECTIVE DATE

401 Resolution to Remain in Effect. Save and except as supplemented and amended by this Fifth Supplemental Resolution, the Resolution shall remain in full force and effect.

402 Effective Date. This Fifth Supplemental Resolution shall take effect upon the filing with the Trustee of a copy of this Fifth Supplemental Resolution certified by an Authorized Officer of the Commission, and upon the written assent of the Trustee.

CERTIFICATE

The undersigned Secretary of the Burlington County Bridge Commission, a public body corporate and politic of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled "Fifth Supplemental Bridge System Revenue Bond Resolution Relating to County Guaranteed Bridge System Revenue Bonds, Series 2017" is a true copy of an original resolution which was duly adopted by said Bridge Commission at a meeting thereof which was duly called and held on July 19, 2017 and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution recorded in the records of the Bridge Commission and that it is a correct transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Bridge Commission this 29th day of August, 2017.

Kathleen M. Sheeran
Secretary

(SEAL)

EXHIBIT A

Project List

2017 Capital Plan consisting of, but not limited to, (1) repainting of both the Tacony-Palmyra Bridge and the Burlington-Bristol Bridge; (2) Burlington-Bristol Bridge Deck Replacement; (3) mechanical upgrades to the Tacony-Palmyra Bridge, the Burlington-Bristol Bridge, and the Riverside-Delanco Bridge; (4) installation of warning gates at the Tacony-Palmyra Bridge and the Burlington-Bristol Bridge; (5) electrical infrastructure upgrades to the Tacony-Palmyra Bridge; (6) and installation of a traveler system (motorized platform for bridge inspections) for the Tacony-Palmyra Bridge, together with all work and materials incidental thereto and necessary therefore.

BURLINGTON COUNTY BRIDGE COMMISSION

BRIDGE SYSTEM REVENUE BOND RESOLUTION

Adopted April 27, 1993

(As amended by the
First Supplemental Bridge System Revenue Bond Resolution,
adopted on June 11, 1993)

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BRIDGE SYSTEM REVENUE BOND RESOLUTION

Adopted April 27, 1993

BE IT RESOLVED, by the Burlington County Bridge Commission as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

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

Accountant means an independent certified public accountant or a firm of certified public accountants, who may be the accountant or firm of accountants who regularly audit the books of the Commission.

Accreted Value means with respect to any Capital Appreciation Bonds (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Accrued Aggregate Debt Service means, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series, calculating the accrued Debt Service (notwithstanding the assumption concerning Variable Interest Rate Bonds set forth in the definition of "Debt Service" contained in this Section 101) with respect to each Series at an amount equal to the sum of (i) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Series next due which would have accrued (if deemed to accrue in the manner set forth in

the definition of Debt Service) to the end of such month. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Deferred Income Bonds.

Act means the provisions of Chapter 17 of the Laws of 1934 of the State of New Jersey (N.J.S.A. 27:19-26, et seq.), and the acts amendatory thereof or supplemental thereto.

Additional Bonds means Bonds authenticated and delivered upon original issuance pursuant to Section 203 of the Resolution 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.

Aggregate Debt Service for any period means, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series; provided, however, that for the purpose of estimating Aggregate Debt Service for any future period, any Option Bonds Outstanding during such period shall be assumed to mature on the stated maturity date or mandatory redemption date thereof.

Annual Budget means the annual budget of the Commission, as amended or supplemented, adopted or in effect for a particular Fiscal Year pursuant to Section 710.

Appreciated Value means with respect to any Deferred Income Bonds, (A) (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Deferred Income Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (B) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Approach or **Approaches** means and includes any approach to the Bridge System, or any road or highway connecting therewith or contributing vehicular traffic thereto or connecting two or more bridges of the Bridge System.

Authorized Officer of the Commission means the Chairman, the Vice-Chairman, the Secretary-Treasurer or the Chief Financial Officer of the Commission or any other member, officer or employee of the Commission authorized to perform specific acts or duties by a resolution duly adopted by the Commission, a certified copy of which shall be on file with the Trustee.

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

Bond Counsel means an attorney or firm of attorneys appointed by the Commission having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Book Entry Bond means any Bond authorized to be issued to, and issued to and registered in the name of, a Securities Depository directly or indirectly for the beneficial owners thereof.

Bondowner or **Owner of Bonds** or **Owner** means any person who shall be the registered owner of any Bond or Bonds.

Bridge System means all bridges owned, acquired or constructed by or on behalf of the Commission and operated by it, whether toll or toll-free, including, without limitation, all land and interests in land acquired or owned by the Commission in connection with the bridges whether the same be immediately adjacent or contiguous to any of the bridges or not, all Approach facilities thereto acquired or constructed by or on behalf of the Commission and all Approaches, including, without limitation, toll plazas, entrance plazas, overpasses, underpasses and Approach highways and all administration, service and storage buildings and other structures and improvements thereon acquired, constructed, developed, reconstructed or replaced by or on behalf of the Commission in connection with the bridges.

Business Day means any day that is not a Saturday, Sunday or legal holiday in the State of New Jersey or a day on which banking institutions chartered by the State of New Jersey or the United States are legally authorized to close.

Capital Appreciation Bond means any Bond as to which interest thereon is compounded on each Valuation Date therefor and is payable only at the maturity or prior redemption thereof.

Code means the Internal Revenue Code of 1986, as amended from time to time, and all regulations promulgated thereunder from time to time.

Commission means the Burlington County Bridge Commission, a body corporate and politic created and existing under and by virtue of the Act pursuant to a resolution duly adopted by the Burlington County Board of Freeholders on October 22, 1948, or, if said Burlington County Bridge Commission shall be abolished, the board, body or commission succeeding to the functions thereof or to whom the powers given by the Act to the Commission shall be given by law.

Construction Fund means the Construction Fund established in Section 502.

Consulting Engineer means such engineer or engineering firm or corporation as at the time shall be retained by the Commission pursuant to Section 710 to perform the acts and carry out the duties provided for such Consulting Engineer in the Resolution.

Cost of the Bridge System means with respect to the Bridge System or any part thereof, the Commission's costs, expenses and liabilities paid or incurred or to be paid or incurred by the Commission in connection with the construction, acquisition, development, reconstruction or replacement of any bridges, crossings over or tunnels under rivers, streams or other waters or over or under highways and railroads, the cost of acquisition of all land, rights-of-way, property, rights, easements and interests acquired, including the cost of acquiring any structures on land so acquired and the cost of acquiring any lands to which such buildings or structures may be moved, the cost of relocating or reconstructing highways, highway interchanges, access roads to private property, including the cost of land or easements therefor, the amount of any final award or judgment in, or any settlement or compromise of, any proceeding to acquire lands, rights-of-way, easements or other interests, the payment of damages caused by construction in the manner provided by law, the cost of any indemnity and surety bonds and premiums on insurance during construction, administrative expenses, legal fees, cost of audits, the cost of all machinery and equipment, initial inventories, financing expenses, underwriters' discount and all costs of the issuance of Bonds, fees and expenses of the Fiduciaries and costs of keeping accounts and making reports required by the Resolution, cost of traffic estimates and of engineering, financial and legal services, plans, specifications, surveys, estimates of costs and revenues, and other expenses necessary or incidental to determine the feasibility or practicability of constructing, acquiring, developing, reconstructing or replacing any component or components of the Bridge System, the amounts required by the Resolution to be paid into any Fund, and payments when due (whether at the maturity

of principal or the due date of interest or upon redemption) on any indebtedness, including any Subordinated Indebtedness, incurred for the Bridge System, working capital and reserves therefor, all federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with the Bridge System, and such other fees, costs and expenses not specified herein as the Commission may determine to be necessary or incidental to the construction, acquisition, development, reconstruction or replacement of the Bridge System and including reimbursements to the Commission for any of the above items theretofore paid by or on behalf of the Commission. It is intended that this definition of Cost of the Bridge System be broadly construed to encompass all costs, expenses and liabilities of the Commission related to the Bridge System or any part thereof which on the effective date of the Resolution or in the future shall be permitted to be funded with the proceeds of Bonds pursuant to the provisions of the laws of the State.

County means the County of Burlington, New Jersey.

County Guaranteed Bonds means any Bonds the punctual payment of the principal of and interest on which is unconditionally guaranteed by the County as provided in the Act.

Debt Service for any period means, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the Debt Service Fund, and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever is later. Except as otherwise set forth in the definition of "Accrued Aggregate Debt Service" contained in this Section 101 and except for purposes of demonstrating compliance with the provisions of paragraph (6) of subsection 1 of Section 202 (in which case Variable Interest Rate Bonds shall be deemed to bear interest at the Maximum Interest Rate), in the case of Variable Interest Rate Bonds, with respect to a particular period and date of calculation, the interest rate thereon shall be calculated on the assumption that such Bonds will bear interest during such period at the higher of (i) a fixed rate of interest equal to that rate, as estimated by an Authorized Officer of the Commission, after consultation with the remarketing agent, if any, for such Series of Variable Interest Rate Bonds, on a day not more than twenty (20) days prior to the date of initial issuance and delivery of such Series of Variable

Interest Rate Bonds, which such Series of Variable Interest Rate Bonds would have had to bear in order to be marketed at par as fixed rate obligations on such date with the same maturity schedule as such Series of Variable Interest Rate Bonds, and (ii) a rate, not less than the initial rate of interest on such Series of Variable Interest Rate Bonds, set forth in or determined pursuant to a formula set forth in the Supplemental Resolution authorizing such Series of Variable Interest Rate Bonds; provided that, if on such date of calculation the interest rate on such Variable Interest Rate Bonds shall then be fixed for a specified period, the interest rate used for such specified period for the purposes of the foregoing calculation shall be such actual interest rate. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Deferred Income Bonds.

Debt Service Fund means the Debt Service Fund established in Section 502.

Debt Service Reserve Fund means the Debt Service Reserve Fund established in Section 502.

Debt Service Reserve Fund Credit Facility means a surety bond, insurance policy or letter of credit deposited into the Debt Service Reserve Fund by the Commission in accordance with the provisions of subsection 4 of Section 507.

Debt Service Reserve Fund Deficiency means an amount equal to the sum of (i) any amount withdrawn from the Debt Service Reserve Fund pursuant to subsection 1 of Section 507, including without limitation, any disbursement pursuant to a Debt Service Reserve Fund Credit Facility unless the maximum limits of such Debt Service Reserve Fund Credit Facility shall be reinstated or the amount of such disbursement shall be deposited in the Debt Service Reserve Fund or a combination of such alternatives shall otherwise make up for such disbursement; and (ii) the amount of any reduction in value of the Investment Securities in the Debt Service Reserve Fund below the Debt Service Reserve Requirement as a result of the valuation of such Investment Securities as provided in Section 604.

Debt Service Reserve Requirement means as of any date of calculation and subject to adjustment as hereinafter provided, the lesser of (a) the Maximum Aggregate Debt Service, and (b) the sum of 10% of the net proceeds of the sale of the Bonds of each Series of which Bonds are Outstanding. The amount of the Debt Service Reserve Requirement shall be adjusted as follows: (a) it shall be assumed that Variable Interest Rate Bonds of any Series will bear interest during any future period at the higher of (i) a fixed rate of interest equal to that rate, as estimated by an Authorized Officer of the Commission, after consultation with the remarketing agent, if any, for such Series of Variable Interest Rate Bonds, on a day not more than 20 days prior to the date of initial issuance and delivery of such Series of Variable Interest Rate Bonds, which such Series of Variable Interest Rate Bonds would have had to bear to be marketed at par on such date as fixed rate obligations with the same maturity schedule as such Series of Variable Interest Rate Bonds or (ii) a rate, not less than the initial rate of interest on such Series of Variable Interest Rate Bonds, set forth in or determined pursuant to a formula set forth in the Supplemental Resolution authorizing such Series of Variable Interest Rate Bonds, and (b) if any Variable Interest Rate Bonds shall be converted to fixed rate Bonds for the remainder of the term thereof and as a result of such conversion a deficiency shall be created in the Debt Service Reserve Fund, the Debt Service Reserve Requirement shall be calculated so as to exclude the amount of such deficiency and the Debt Service Reserve Requirement shall be increased in each of the Fiscal Years after the date of such conversion by an amount which shall be equal to 10% of the aforesaid deficiency.

Defeasance Obligations means and includes any of the following securities, if and to the extent the same are at the time of purchase thereof legal for investment of funds of the Commission:

(a) any Direct Obligations which (i) are not subject to redemption prior to their maturity other than at the option of the holder thereof, or (ii), upon compliance with the provisions of subsection 4 of Section 1201, are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates; and

(b) any obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit thereof ("municipal obligations"), which municipal obligations (i) are fully secured as to principal and interest by an irrevocable pledge of moneys or Direct Obligations, which moneys or Direct Obligations are segregated in trust and pledged for the benefit of the holders of such municipal obligations, (ii) are not subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such municipal obligations on a specified redemption date has been given and such municipal obligations are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, and (iii) are rated, at the time of purchase, "Aaa" by Moody's and "AAA" by S&P; and

(c) certificates of ownership of the principal of or interest on any Direct Obligations, which Direct Obligations are held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 910 and which Direct Obligations (i) are not subject to redemption prior to their maturity other than at the option of the holder thereof, or (ii), upon compliance with the provisions of subsection 4 of 1201, are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

Deferred Income Bonds means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable as provided in the Supplemental Resolution authorizing such Bonds.

Depository means (i) any bank, national banking association, trust company or savings and loan association, the deposits in which are insured by the Federal Deposit Insurance Corporation, selected by the Commission as a depository of moneys and securities held under the provisions of the Resolution, and may include the Trustee, and (ii) the Treasurer of the State of New Jersey to the extent that any amounts on deposit in any Fund are invested in interests in the State of New Jersey Cash Management Fund or the custodian of any other similar common trust fund established by State law in which moneys of the Commission are permitted to be invested pursuant to State law.

Direct Obligations means direct and general obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America; provided, however, that the full faith and credit of the United States of America must be pledged to any such direct and general obligation or guarantee.

Event of Default shall have the meaning given such term in subsection 1 of Section 801.

Fiduciary or **Fiduciaries** means the Trustee, the Depositories and the Paying Agents, or any or all of them, as may be appropriate.

Fiscal Year means the twelve (12) month period commencing at 12:01 a.m. on October 1 of each year and ending at 12:01 a.m. on the succeeding October 1, or, in the discretion of the Commission, any other twelve (12) month period corresponding to the then current fiscal year of the Commission.

Fund or **Funds** means any fund or funds established by the Resolution including any account established therein pursuant to the Resolution.

General Reserve Fund means the General Reserve Fund established in Section 502.

Government Grant means, with respect to the Bridge System, any sum of money which is hereafter received or which is receivable by or on behalf of the Commission from the United States of America, or any authority or agency thereof, or from the State of New Jersey, or any county, municipality, authority or agency thereof, as or on account of a grant or contribution not repayable by the Commission, in and of, or with respect to, the (a) planning, design, construction, acquisition, operation, development, reconstruction or replacement of the Bridge System, or (b) financing of any such planning, design, construction, acquisition, operation, development, reconstruction or replacement.

Government Loan means, with respect to the Bridge System, any sum of money which is hereafter received or which is receivable by or on behalf of the Commission from the United States of America, or any authority or agency thereof, or from the State of New Jersey, or any county, municipality, authority or agency thereof, as or on account of a loan which is repayable by the Commission in accordance with the terms established with respect thereto, in and of, or with respect to, the (a) planning, design, construction, acquisition, operation, development, reconstruction or replacement of the Bridge System, or (b) financing of any such planning, design, construction, acquisition, operation, development, reconstruction or replacement.

Initial Series of Bonds means the first Series of Bonds authenticated and delivered upon original issuance pursuant to the Resolution.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Supplemental Resolution authorizing such Bonds after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and thereafter on the interest payment dates specified in the Supplemental Resolution authorizing such Bonds.

Investment Securities means any of the following securities, if and to the extent the same are at the time of purchase thereof legal for investment of funds of the Commission:

(a) Direct Obligations;

(b) Direct and general obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-back issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation (for purposes of this definition, "FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association (for purposes of this definition, "FNMAs"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Governmental National Mortgage Association (for purposes of this definition, "GNMAs"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financing of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; and Resolution Funding Corporation securities.

(c) Direct and general obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's and "A" or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's and "A" or better by S&P;

(d) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's and "A-1" or better by S&P;

(e) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received by the Trustee to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of

"P-1" by Moody's and a "Short-Term CD" rating of "A-1" or better by S&P;

(f) Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are continuously and fully insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation;

(g) Investments in money-market funds rated "AAAm" or AAAm-G" by S&P;

(h) Repurchase agreements solely collateralized by Direct Obligations, GNMAs, FNMAs or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the Federal Deposit Insurance Corporation, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's and "A-1" or "A-" or better by S&P, provided:

(1) a master repurchase agreement or specific written repurchase agreement governs the transaction; and

(2) 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, which 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 $50 million, or (iii) a bank approved in writing for such purpose by the Trustee, 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; and

(3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Trustee; and

(4) the repurchase agreement provides that the Trustee or an independent third party acting solely as agent for the Trustee will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation; and

(5) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

(i) interests in the State of New Jersey Cash Management Fund or any other similar common trust fund established by State law in which moneys of the Commission are permitted to be invested pursuant to State law.

Liquidity Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Commission, pursuant to which the Commission is entitled to obtain moneys upon the terms and conditions contained therein for the purchase or redemption of Bonds tendered for purchase or redemption in accordance with the terms of the Supplemental Resolution authorizing such Bonds.

Maximum Aggregate Debt Service means, as of the date of calculation, the greatest amount of Aggregate Debt Service in the then current or any future Fiscal Year.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, which shall be set forth in the Supplemental Resolution authorizing such Bond, that shall be the maximum rate of interest such Bond may at any time bear.

Minimum Interest Rate means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest which may (but need not) be set forth in the Supplemental Resolution authorizing such Bond, that shall be the minimum rate of interest such Bond may at any time bear.

Moody's means Moody's Investors Service and any successor thereto.

Net Revenues means, for any period of time, the Revenues during such period minus the Operating Expenses during such period.

Operating Expenses means the Commission's expenses for operation, maintenance, repairs and periodically recurring replacement and acquisition of equipment for the Bridge System, including, without limiting the generality of the foregoing, all policing, administrative and engineering expenses, legal and financial advisory expenses, fees and expenses of Fiduciaries, required payments to pension, retirement, health and hospitalization funds, insurance premiums, and any other current expenses or obligations of the Commission, all to the extent properly attributable to the operation of the Bridge System and shall not include allowances for depreciation attributable to any facilities of the Commission.

Operating Fund means the Operating Fund established in Section 502.

Opinion of Bond Counsel means a written opinion signed by Bond Counsel.

Option Bonds means Bonds which by their terms may be tendered by and at the option of the Owner thereof for payment by the Commission prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Owner thereof.

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

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

(ii) 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;

(iii) 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;

(iv) Bonds, or interest installments thereon, deemed to have been paid as provided in Section 1201; and

(v) Option Bonds deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Bonds on the applicable adjustment or conversion date, if interest thereon shall have been paid through such date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution.

Paying Agent means 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.

Pledged Property means the Construction Fund, the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund and the Reserve Maintenance Fund and all amounts on deposit in any such Fund, including Investment Securities held in any such Fund under the Resolution, together with all proceeds and revenues of the foregoing and all of the Commission's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the Resolution.

Principal Installment means, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in subsection 2 of Section 506) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) 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 plus such applicable redemption premiums, if any.

Record Date means with respect to an interest payment date for a particular Series of Bonds, unless otherwise provided by the Supplemental Resolution authorizing such Series, the fifteenth day (or if such day shall not be a Business Day, the preceding Business Day) next preceding such interest payment date.

Redemption Price means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof as provided in the Resolution.

Refunding Bonds means all Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 204, 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.

Registrar means the Trustee or any other bank, national banking association or trust company designated by the Commission to perform the duties of Registrar for the Bonds of any Series, and its successor or successors.

Reserve Maintenance Fund means the Reserve Maintenance Fund established in Section 502.

Reserve Maintenance Requirement means $500,000 or such larger amount as shall be set forth in a certificate executed by the Consulting Engineer and delivered to the Commission and the Trustee stating that such larger amount is necessary to cause the Bridge System to be operated in a prudent and economical manner; provided, however, that, if any amounts are due and owing to the County pursuant to any agreement between the Commission and the County entered into in accordance with Section 501, then any such larger amount shall only become the Reserve Maintenance Requirement if such larger amount is consented to in writing by the County.

Resolution means this Bridge System Revenue Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms hereof.

Revenue Fund means the Revenue Fund established in Section 502.

Revenues means (a) all tolls, revenues, fees, charges, rents, and other income and receipts derived or to be derived by the Commission from or for the operation, use or services of the Bridge System, (b) the proceeds received by the Commission of any use and occupancy insurance relating to the Bridge System and of any other insurance which insures against loss of Revenues, and (c) investment income from any moneys or securities held under the Resolution and paid into the Revenue Fund; provided, however, that "**Revenues**" shall not include the proceeds of any Government Grants or Government Loans.

Securities Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Supplemental Resolu-

tion authorizing a Series of Book Entry Bonds to serve as securities depository for the Bonds of such Series;

Series means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Resolution or the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 406 or Section 1106, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

Sinking Fund Installment means, with respect to any Series of Bonds, an amount so designated which is established pursuant to paragraph (4) of subsection 1 of Section 202.

S&P means Standard & Poor's Corporation and any successor thereto.

Standby Purchase Agreement means an agreement by and between the Commission and another entity pursuant to which such entity is obligated to purchase Option Bonds tendered for purchase.

State means the State of New Jersey.

Subordinated Indebtedness means any note, bond or other evidence of indebtedness issued by the Commission pursuant to Section 510.

Supplemental Resolution means any resolution of the Commission supplemental to or amendatory of the Resolution adopted in accordance with Article X of the Resolution.

Tax Certificate shall mean the Tax Certificate as to Arbitrage and the Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended, executed by an Authorized Officer of the Commission in connection with the initial issuance and delivery of a Series of Tax-Exempt Bonds, as such Tax Certificate may be amended from time to time.

Tax-Exempt Bonds shall mean any Bonds the interest on which is excludable from gross income for federal income tax purposes as provided in an Opinion of Bond Counsel delivered at the time of initial issuance and delivery of such Bonds.

Traffic Engineer means such engineer or engineering firm or corporation as at the time shall be retained by the Commission pursuant to Section 710 to perform the acts and carry out the duties provided for such Traffic Engineer in the Resolution.

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

Valuation Date shall mean (i) with respect to any Capital Appreciation Bonds the date or dates set forth in the Supplemental Resolution authorizing such Bonds on which specific Accreted Values are assigned to such Capital Appreciation Bonds, and (ii) with respect to any Deferred Income Bonds the date or dates prior to the Interest Commencement Date set forth in the Supplemental Resolution authorizing such Bonds on which specific Appreciated Values are assigned to such Deferred Income Bonds.

Variable Interest Rate shall mean 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 specified in the Supplemental Resolution authorizing such Series of Bonds and shall be subject to a Maximum Interest Rate and may be subject to a Minimum Interest Rate and there may be an initial rate specified, in each case as provided in such Supplemental Resolution. Such Supplemental Resolution shall also specify either (i) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

Variable Interest Rate Bonds for any period of time, shall mean 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, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

Unless the context shall clearly indicate otherwise or otherwise require, in the Resolution words importing persons include firms, partnerships, associations, corporations (public and private), public bodies and natural persons, and also include executors, administrators, trustees, receivers or other representatives.

Unless the context shall clearly indicate otherwise or otherwise require, in the Resolution the terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms, refer to the Resolution and to the Resolution as a whole and not to any particular section or subdivision hereof.

Unless the context shall clearly indicate otherwise or otherwise require, in the Resolution (i) references to Articles, Sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding Articles, Sections or subdivisions of this Resolution as such Articles, Sections or subdivisions may be amended from time to time; and (ii) the word "heretofore" means before the time of adoption of the Resolution, the word "now" means at the time of adoption of the Resolution, and the word "hereafter" means after the time of adoption of the Resolution.

Section 102. Authority for the Resolution. This Bridge System Revenue Bond Resolution is adopted pursuant to the provisions of the Act.

Section 103. **Resolution to Constitute Contract.** 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 Commission and the Owners 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 herein set forth to be performed by or on behalf of the Commission shall be for the equal benefit, protection and security of the Owners 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 of the Bonds, except as expressly provided in or permitted by the Resolution.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. **Authorization of Bonds.** 1. The Commission is hereby authorized to issue from time to time, as hereinafter provided, Bonds of the Commission to be designated as "Bridge System Revenue Bonds". The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as hereafter provided in the Resolution or as may be limited by law.

2. The Bonds may be issued in one or more Series, and the title thereof, in addition to the name "Bridge System Revenue Bonds", shall include such further appropriate designations as the Commission may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. 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, provided that solely for the purpose of satisfying the requirements of Section 202, Section 203 or Section 204, 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 under a single Supplemental Resolution notwithstanding any other provision of the Resolution.

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

(1) In the case of the Initial Series of Bonds issued under the Resolution, a copy of the Resolution certified by an Authorized Officer of the Commission;

(2) An Opinion of Bond Counsel to the effect that (i) the Commission has the right and power to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Commission, is in full force and effect and is valid and binding upon the Commission 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 Pledged Property held or set aside under the Resolution, 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; and (iii) the Bonds of such Series are valid and binding obligations of the Commission as provided in the Resolution and entitled to the benefits of the Resolution and of the Act as amended to the date of such Opinion, 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 may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the 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 Officer of the Commission;

(4) A copy of the Supplemental Resolution authorizing such Series of Bonds, certified by an Authorized Officer of the Commission, which shall, among other provisions, specify: (a) the authorized principal amount, designation and Series of such Bonds; (b) the purposes for which such Series of Bonds is being issued, which shall be (i) the purposes specified in Section 203, or (ii) the refunding of Bonds as provided in Section 204; (c) the date or dates, and the maturity date or dates, of the Bonds of such Series; (d) 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; (e) if such Bonds are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value as of each such Valuation Date; (f) if such Bonds are Deferred Income Bonds, the Interest Commencement Date for such Bonds, the Valuation Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date; (g) if any of the Bonds of such Series are Capital Appreciation Bonds or Deferred Income Bonds, the manner in which and the period during which principal and interest shall be deemed to accrue on such Bonds; (h) if such Bonds are 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; (i) the denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series; (j) the Registrar and the Paying Agent or Paying Agents for the Bonds of

such Series and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Bonds of such Series; (k) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Bonds of such Series; (l) 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; (m) if so determined by the Commission, provisions for the sale of the Bonds of such Series; (n) provisions relating to the application of the proceeds of such Series of Bonds; (o) 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 set forth in Section 1401, with such variations, omissions and insertions as are required or permitted by the Resolution; and (p) with regard to Option Bonds, provisions regarding the tender and payment thereof;

(5) If such Series of Bonds shall include Option Bonds, a Liquidity Facility in such an amount that would accommodate an election by all Owners of such Option Bonds to purchase or redeem the entire aggregate Outstanding principal amount of such Option Bonds;

(6) Except in the case of the Initial Series of Bonds issued under the Resolution or any Series of Refunding Bonds issued pursuant to clause (i) of subsection 1 of Section 204, a certificate of the Consulting Engineer dated the date of initial issuance and delivery of such Series of Bonds to the effect that:

(a) the Net Revenues for any period of 12 consecutive months within the 18 months immediately preceding the date of the certificate, plus, as shall be set forth in a certificate of the Traffic Engineer, 100% of any additional Net Revenues which would have been derived from the Bridge System during such 12 month period if increased tolls or other charges relating to the facilities of the Bridge System (adjusted to reflect any projected effect upon Net Revenues of the facility or facilities to be constructed with the proceeds of such Series of Bonds) and which have been authorized or have become effective during the 18 months immediately preceding the date of the certificate, had been in effect during all of said 18 months, at least equalled 105% of the sum of (A) Maximum Aggregate Debt Service (calculated to include the Debt Service on the Bonds to be authenticated) and

(B) maximum annual debt service on any outstanding Subordinated Indebtedness; and

(b) the Revenues (as projected by the Consulting Engineer after consultation with the Traffic Engineer) for each of the 5 years following the authentication of such Bonds will at least equal (i) all Operating Expenses for that year plus (ii) 105% of Aggregate Debt Service for each such year (calculated to include the Debt Service on the Bonds to be authenticated), and (iii) the requirements of all Funds for each such year;

(7) The amount, if any, necessary for deposit in the Debt Service Reserve Fund so that the amount on deposit therein equals the Debt Service Reserve Requirement calculated immediately after the authentication and delivery of such Series of Bonds;

(8) A certificate of an Authorized Officer of the Commission stating that, upon the issuance of such Series of Bonds, the Commission is not in default in the performance of any of the covenants, conditions, agreements or provisions of, and no event has occurred which, with the passage of time or the giving of notice or both, will constitute an Event of Default under, the Resolution; and

(9) Such further documents, moneys (including, without limitation, the deposit of any amounts required by the Resolution), securities and evidences of deposit of funds with the Trustee as are required by the provisions of the Resolution or the Supplemental Resolution authorizing such Series of Bonds.

All of the Bonds of each Series of the same maturity shall be identical in all respects, except as to denominations, numbers and letters. After the original issuance of Bonds of a Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 406 or 1106.

Section 203. **Initial Series of Bonds and Additional Bonds.** The Initial Series of Bonds and one or more Series of Additional Bonds may be authenticated and delivered upon original issuance in accordance with Section 202 hereof, at any time or from time to time for the purpose of financing Costs of the Bridge System. The proceeds, including accrued interest, of the Initial Series of Bonds and the Additional Bonds of each Series shall be applied simultaneously with the delivery of such Bonds as shall be provided in the Supplemental Resolution authorizing such Series.

Section 204. **Refunding Bonds.** 1. One or more Series of Refunding Bonds may be issued at any time to refund (i) 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, and (ii) any Subordinated Indebtedness. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds under the Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds.

2. Refunding Bonds of each Series issued for the purpose set forth in clause (i) of subsection 1 of this Section 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 not by their terms subject to redemption or will not be redeemed within the next succeeding 60 days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 1201 to the Owners of the Bonds being refunded; and

(3) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, 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 Owners of the Bonds to be refunded, or (ii) Defeasance Obligations 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 Obligations and moneys shall be held in trust and used only as provided in said subsection 2 of Section 1201.

(4) Such further documents and moneys as are required by the provisions of Article X of the Resolution or any Supplemental Resolution adopted pursuant to Article X of the Resolution.

3. Refunding Bonds of each Series issued for the purpose set forth in clause (ii) of subsection 1 of this Section shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents, securities and moneys required by Section 202) of:

(1) A certificate of the trustee then duly appointed or acting under the indenture, resolution or other appropriate instrument securing and authorizing such Subordinated Indebtedness, or of the Commission if there shall be no such trustee, that (a) provision has been duly made for the redemption or payment at maturity of such Subordinated Indebtedness in accordance with the terms thereof, (b) the pledge, if any, pursuant to Section 510 securing such Subordinated Indebtedness, and all rights granted by such indenture, resolution or instrument shall have been discharged and satisfied, and (c) such trustee or the paying agents for such Subordinated Indebtedness hold in trust the moneys or securities required to effect such redemption or payment;

(2) An Opinion of Bond Counsel to the effect that all actions required under the indenture, resolution or other appropriate instrument securing and authorizing such Subordinated Indebtedness to provide for the redemption or payment of such Subordinated Indebtedness have been taken; and

(3) Such further documents and moneys as are required by the provisions of Article X of the Resolution or any Supplemental Resolution adopted pursuant to Article X.

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

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. **Medium of Payment; Form and Date; Letters and Numbers.** 1. 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.

2. The Bonds of each Series may be issued only in the form of fully registered Bonds without coupons unless otherwise authorized by a Supplemental Resolution. The Bonds of each Series shall be in substantially the form set forth in Section 1401 or substantially in the form set forth in the Supplemental Resolution authorizing such Series.

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

4. The Bonds of each Series, unless otherwise provided herein or in a Supplemental Resolution authorizing such Series, shall be dated as of the date six months preceding the interest payment date next following 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 the Supplemental Resolution authorizing the Bonds of such Series. Bonds of each Series shall bear interest from their date.

Section 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 Commission prior to the authentication and delivery thereof.

Section 303. **Execution and Authentication.** 1. The Bonds shall be executed in the name of the Commission by the manual or facsimile signature of the Chairman, Vice-Chairman or other Authorized Officer of the Commission and its seal (or a facsimile

thereof), if any, 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 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 Commission by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Commission, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in Section 1401, 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 Commission shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Owner thereof is entitled to the benefits of the Resolution.

Section 304. **Exchange, Transfer and Registry.** 1. The Bonds shall be transferable only upon the books of the Commission, which shall be kept for such purposes at the principal corporate trust office of the Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any Bond the Commission shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. For purposes of the Resolution, Option Bonds which are required to be tendered pursuant to the provisions of the Resolution shall be deemed surrendered for transfer, even though such Bonds have not been actually delivered.

2. The registered owner 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 Commission for a new Bond or Bonds upon the request of the registered owner thereof in person or by his attorney duly

authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

3. The Commission and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Commission 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 the payment of the purchase price of any Option Bond tendered to the Commission and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Commission nor any Fiduciary shall be affected by any notice to the contrary. The Commission agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under the Resolution, in so treating such registered owner.

Section 305. **Regulations with Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Commission 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 Commission or the 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 Commission nor the Registrar shall be required (a) to exchange or transfer Bonds of any Series for a period beginning on the Record Date next preceding an interest payment date for Bonds of a particular Series and ending on such interest payment date, or for a period of fifteen 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.

Section 306. **Bonds Mutilated, Destroyed, Stolen or Lost.** If any Bond becomes mutilated or is lost, stolen or destroyed, the Commission 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 (i) in the case of such mutilated Bond, such Bond is first surrendered to the Commission, (ii) 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 Commission together with indemnity satisfactory to the Commission and the Trustee, (iii) all other reasonable requirements of the Commission and the Trustee are complied with, and (iv) expenses in connection with such transaction are paid by the Owner. 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 Commission, 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 Commission or any Fiduciary for the benefit of the Bondowners.

Section 307. **Book Entry Bonds.** 1. Anything in the Resolution to the contrary notwithstanding, Bonds may be authorized and issued as Book Entry Bonds.

2. For all purposes of the Resolution, the Owner of a Book Entry Bond shall be the Securities Depository therefor and neither the Commission nor the Trustee shall have responsibility or any obligation to the beneficial owner of such Bond or to any direct or indirect participant in such Securities Depository. Without limiting the generality of the foregoing, neither the Commission nor the Trustee shall have any responsibility or obligation to any such participant or to the beneficial owner of a Book Entry Bond with respect to (i) the accuracy of the records of the Securities Depository or any participant with respect to any beneficial ownership interest in such Bond, (ii) the delivery to any participant of the Securities Depository, the beneficial owner of such Bond or any other person, other than the Securities Depository, of any notice with respect to such Bond, including any notice of the redemption thereof, or (iii) the payment to any participant of the Securities Depository, the beneficial owner of such Bond or any other person, other than the Securities Depository, of any amount with respect to the principal or Redemption Price of, or interest on, such Bond. The Commission and the Trustee may treat the Securities Depository therefor as the absolute owner of a Book Entry Bond for the purpose of (x) payment of the principal or Redemption Price of, and interest on such Bond, (y) giving notices of redemption and of other matters with respect to such Bond, (z) registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal or Redemption Price of, as applicable, and interest on, such Bond only to or upon the order of the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to such principal or Redemption Price and interest to the extent of the sum or sums so paid. If a Bond is a Book Entry Bond, no person other than the Securities Depository shall receive a Bond or other

instrument evidencing the Commission's obligation to make payments of the principal or Redemption Price thereof, and interest thereon.

3. Subject to the provisions of any agreement between the Commission and the Securities Depository, the Commission, in its sole discretion and without the consent of the Trustee, the beneficial owner of a Book Entry Bond or any other person, may at any time terminate the services of the Securities Depository with respect to a Book Entry Bond. The Commission shall terminate the services of the Securities Depository upon receipt by the Commission and the Trustee of written notice from the Securities Depository that it has received written requests that such Securities Depository be removed from its participants having beneficial interest, as shown in the records of the Securities Depository, in an aggregate amount of more than fifty percent (50%) in principal amount of the then Outstanding Bonds for which the Securities Depository is serving as Securities Depository.

4. Upon the termination of the services of a Securities Depository with respect to a Book Entry Bond, or upon the resignation of a Securities Depository with respect to a Book Entry Bond, after which no substitute securities depository willing to undertake the functions of such Securities Depository can be found which, in the opinion of the Commission, is able to undertake such functions upon reasonable and customary terms, such Bonds shall no longer be registered on the registration books kept by the Trustee in the name of a Securities Depository, but may, at the written direction of an Authorized Officer of the Commission, be registered in the name or names the Owners transferring or exchanging such Bonds shall designate in accordance with the provisions of Article III hereof.

Section 308. **Temporary Bonds.** 1. Until the definitive Bonds of any Series are prepared, the Commission may execute, in the same manner as is provided in Section 303, and upon the request of the Commission, 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 Commission 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 Owner 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.

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

ARTICLE IV

REDEMPTION OF BONDS

Section 401. **Privilege of Redemption and Redemption Price.** Bonds subject to redemption prior to maturity pursuant to a Supplemental Resolution shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in the Supplemental Resolution authorizing such Series.

Section 402. **Redemption at the Election or Direction of the Commission.** In the case of any redemption of Bonds at the election or direction of the Commission, the Commission shall 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 of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Commission in its sole discretion, subject to any limitations with respect thereto contained in the Resolution). Such notice shall be given at least 45 days prior to the redemption date 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 Commission shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

Section 403. **Redemption Otherwise Than at the Commission'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 Commission, the Trustee shall (i) select the Bonds or portions of Bonds to be redeemed, (ii) give the notice of redemption and (iii) 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 506.

Section 404. **Selection of Bonds to be Redeemed.** If less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Trustee by lot; provided, however, that the portion of any Bond of a denomination of more than $5,000 (or such other denominations as may be

specified in the Supplemental Resolution authorizing such Series) to be redeemed shall be in the principal amount of $5,000 (or such other authorized denomination) or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of $5,000 denomination (or such other authorized denomination) which is obtained by dividing by $5,000 (or such other authorized denomination) the principal amount of such Bond to be redeemed in part.

Section 405. **Notice of Redemption.** When the Trustee shall receive notice from the Commission 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 Commission, of the redemption of such Bonds, which notice shall specify the Series and maturities 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 and 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 may further state that the redemption of the Bonds to be redeemed is conditional upon the receipt by the Trustee, on or before the redemption date, of sufficient moneys to redeem the Bonds to be redeemed. Such notice shall be mailed by the Trustee, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, to the 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 such notice shall not affect the validity of the proceedings for the redemption of Bonds.

Section 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 drawn for redemption less than all of a Bond, the Commission shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the

surrender of such Bond, without charge to the owner 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.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. **The Pledge Effected by the Resolution.** 1. The Bonds are special obligations of the Commission payable solely from the Pledged Property. The Pledged Property is hereby pledged and assigned to the Trustee as security for the payment of (i) the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, and (ii) to the extent provided in the following sentence, any amounts owed to the County pursuant to any agreements entered into between the Commission and the County pursuant to such sentence. Notwithstanding anything contained in the Resolution to the contrary, the Commission may enter into agreements with the County providing for the reimbursement to the County of any amounts paid by the County to the Owners of County Guaranteed Bonds which are secured by a parity lien and pledge of the Pledged Property, without preference, priority or distinction over the rights of the Owners of the Bonds.

2. All Pledged Property shall immediately be subject to the lien of this pledge without any further act.

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

4. The Bonds shall be special obligations of the Commission payable solely from the Pledged Property. Except as otherwise set forth in a Supplemental Resolution authorizing a Series of Bonds, neither the State nor any political subdivision of the State, including the County, shall be obligated to pay the Principal Installments or Redemption Price of and interest on the Bonds and neither the faith and credit nor the taxing power of the State or any political subdivision of the State, including the County, is pledged to such payment.

Section 502. **Establishment of Funds.** The following Funds are hereby established:

(1) Construction Fund, to be held by the Trustee,

(2) Revenue Fund, to be held by the Trustee,

(3) Operating Fund, to be held by the Commission,

(4) Debt Service Fund, to be held by the Trustee,

(5) Debt Service Reserve Fund, to be held by the Trustee,

(6) Reserve Maintenance Fund, to be held by the Trustee, and

(7) General Reserve Fund, to be held by the Commission.

Section 503. **Construction Fund.** 1. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Resolution and there may be paid into the Construction Fund, at the option of the Commission, any moneys received for or in connection with the Bridge System by the Commission from any other source, unless required to be otherwise applied as provided in the Resolution. Amounts on deposit in the Construction Fund shall be applied to pay Costs of the Bridge System in the manner provided in this Section 503.

2. The proceeds of insurance, if any, maintained pursuant to the Resolution against physical loss of or damage to the Bridge System, or of contractors' performance bonds or other assurances of completion with respect thereto, pertaining to the period of construction thereof, shall be paid into the Construction Fund.

3. The Trustee shall make all payments or reimbursements to the Commission from the Construction Fund in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection, except payments and withdrawals pursuant to subsections 4 or 5 of this Section 503. Before any such payment or reimbursement shall be made, the Commission shall file with the Trustee its requisition therefor, signed by an Authorized Officer of the Commission stating in respect of each payment or reimbursement to be made (a) the name and address of the person, firm or corporation to whom payment is due, which in the case of a reimbursement shall be the Commission, (b) the amount to be paid or reimbursed, and (c) the particular item of the Cost of the Bridge System to be paid or reimbursed and that the cost or the obligation in the stated amount is a proper charge against the Construction Fund which has not been previously paid or reimbursed. The Trustee shall issue its check for each payment or reimbursement required by such requisition or shall by interbank transfer or other method agreed upon by the Commission and the Trustee arrange to make the payment or reimbursement required by such requisition.

4. If requested by an Authorized Officer of the Commission, the Trustee shall pay from the Construction Fund to the Commission, upon its requisitions therefor signed by an Authorized Officer of the Commission, at one time or from time to time, a sum or sums aggregating not more than $500,000, such sums to be used by the Commission as a revolving fund for the payment of items of the

Cost of the Bridge System which can not be conveniently paid from the Construction Fund. Such revolving fund shall be reimbursed by the Trustee from time to time for such Costs of the Bridge System so paid, by payments from the Construction Fund upon requisitions of the Commission accompanied by its certificate specifying the payee and the amount disbursed to such payee and the particular purpose of each payment from such revolving fund for which such reimbursement is required and certifying that each such payment was necessary for payment of an item of Cost of the Bridge System which was a proper charge against the Construction Fund which had not been previously paid and was an item which could not conveniently be paid except from such revolving fund. In making such reimbursements the Trustee may rely upon such requisitions and accompanying certificates.

5. Notwithstanding any of the provisions of this Section 503, (i) to the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of Principal Installments of and interest on the Bonds when due, and (ii) if at any time the amount on deposit in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement, the Trustee shall forthwith transfer from the Construction Fund to the Debt Service Reserve Fund the amount necessary (or all moneys held in the Construction Fund, if necessary) to make up such deficiency.

6. Amounts on deposit in the Construction Fund which an Authorized Officer of the Commission determines, in a certificate of such Authorized Officer of the Commission delivered to the Trustee, are in excess of the amounts required to be on deposit in the Construction Fund for the purposes of such Fund, shall be transferred to the Debt Service Reserve Fund, if and to the extent necessary to make the amount on deposit in such Fund equal to the Debt Service Reserve Requirement, and any balance shall be deposited in the General Reserve Fund and applied to any of the purposes set forth in subsection 2 of Section 509. If subsequent to the filing of such certificate it shall be determined that any amounts specified in such certificate as being required for the payment of the Cost of the Bridge System are no longer so required, such fact shall be evidenced by a certificate or certificates of an Authorized Officer of the Commission which shall be filed with the Trustee stating such fact and any amount shown therein as no longer being required shall be transferred to the Debt Service Reserve Fund, if and to the extent necessary to make the amount on deposit in such Fund equal to the Debt Service Reserve Requirement, and any balance shall be deposited in the General Reserve Fund and applied to any of the purposes set forth in subsection 2 of Section 509.

7. Nothing in this Section 503 shall be construed to prevent the Commission from permanently discontinuing the acquisition, construction, development, reconstruction or replacement of any portion of the Bridge System the Cost of which is at the time

being paid out of the Construction Fund, if (a) the Commission determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of the Commission and not disadvantageous to the Owners of the Bonds, and (b) the Consulting Engineer shall deliver to the Trustee a certificate stating that such discontinuance will not adversely affect the prudent and economical operation of the Bridge System.

Section 504. **Revenue Fund; Application of Revenues.** 1. All Revenues shall be promptly deposited by the Commission upon receipt thereof in the Revenue Fund.

2. The Trustee shall on or before the 20th day of each month allocate, transfer and apply all amounts on deposit in the Revenue Fund as follows and in the following order of priority:

(1) To the Operating Fund, all amounts which an Authorized Officer of the Commission shall determine, in a written certificate of such Authorized Officer delivered to the Trustee, are required during the next succeeding calendar month (i) to pay the reasonable and necessary Operating Expenses, and (ii) to maintain in the Operating Fund at all times reasonable and necessary amounts as an operating reserve for Operating Expenses; provided that the total amount of such operating reserve shall at all times be equal to at least 10% of the amount appropriated by the Annual Budget for Operating Expenses for the then current Fiscal Year;

(2) To the Debt Service Fund, until the balance in said Fund shall equal the Accrued Aggregate Debt Service for all Series of Bonds; provided that, for the purposes of computing the amount required to be deposited in said Fund there shall be excluded the aggregate amount, if any, deposited in said Fund from the proceeds of Bonds and set aside as provided in subsection 3 of Section 506;

(3) To the Debt Service Reserve Fund, an amount equal to any amount by which the moneys in such Fund are less than the Debt Service Reserve Requirement, provided, however, that if and to the extent that there shall be any Debt Service Reserve Fund Deficiency, there shall be deposited into the Debt Service Reserve Fund each month during the period commencing with the month following the month in which the determination of such Debt Service Reserve Fund Deficiency was made an amount equal to one-twelfth (1/12th) of such Debt Service Reserve Fund Deficiency, except that if a new valuation of the Investment Securities held in the Debt Service Reserve Fund is made pursuant to Section 604 during the period such deposits are required, then the obligation of the Commission to make deposits into the Debt Service Reserve

Fund during the remainder of such period on the basis of the preceding valuation shall be discharged and the deposits, if any, required to be made for the remainder of such period shall be determined under this proviso on the basis of the new valuation;

(4) To the Reserve Maintenance Fund, an amount equal to any amount by which the moneys in such Fund are less than the Reserve Maintenance Requirement; and

(5) To the General Reserve Fund the remaining balance of moneys in the Revenue Fund after making the above deposits and credits.

Section 505. **Operating Fund.** 1. Amounts on deposit in the Operating Fund shall be used by the Commission from time to time to pay all reasonable and necessary Operating Expenses. The Commission shall initially fund the Operating Fund from available moneys of the Commission.

2. No payment of Operating Expenses pursuant to subsection 1 of this Section 505 shall be made in excess of the unexpended balance of the appropriation for Operating Expenses in the applicable Annual Budget.

Section 506. **Debt Service Fund.** 1. The Trustee shall pay out of the Debt Service Fund to the respective Paying Agents (a) on or before each interest payment date for any of the Bonds, the amount required to pay the interest payable on such date, (b) on or before each Principal Installment due date, the amount required to pay the Principal Installment payable on such date, and (c) on or before any redemption date for the Bonds, the amount required for the payment of the Redemption Price of and interest accrued and payable on the Bonds then to be redeemed. In the case of Variable Interest Rate Bonds, the Commission shall furnish the Trustee with a certificate setting forth the amount to be paid on such Bonds on each interest payment date, such certificate to be furnished on or prior to the Record Date with respect to any interest payment date. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Fund the accrued interest included in the purchase price of Bonds purchased before retirement.

2. Amounts deposited in the Debt Service Fund to satisfy Sinking Fund Installments shall be applied to the purchase or redemption of Bonds as provided in this subsection. Amounts deposited in the Debt Service Fund by reason of the payment of any Sinking Fund Installment may, and if so directed by the Commission shall, be applied by the Trustee on or prior to the date Bonds are selected for redemption as a result of such Sinking Fund Installment, to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established. All such purchases

of Bonds shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. The applicable sinking fund Redemption Price of any Bonds (or principal amount of maturing Bonds) so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund. At any time prior to the date Bonds are selected for redemption from any Sinking Fund Installment, the Commission may purchase with any available funds Bonds subject to redemption by operation of such Sinking Fund Installment and give written notice to the Trustee of its intention to surrender such Bonds (identifying the same by serial number) on the Sinking Fund Installment date. To the extent that amounts are available in the Debt Service Fund and, if necessary, the Debt Service Reserve Fund, and after giving effect to the Bonds purchased by the Trustee or to be surrendered by the Commission, which shall be credited against the Sinking Fund Installment at the applicable sinking fund Redemption Price thereof, the Trustee shall proceed to call for redemption, as provided in Section 406, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Fund and, if necessary, the Debt Service Reserve Fund to the appropriate Paying Agents, on or before the day preceding such redemption date, the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption. After making such payments, the Trustee shall withdraw from the Debt Service Fund on the Sinking Fund Installment due date the lesser of (a) the applicable sinking fund Redemption Price of and accrued interest on the Bonds surrendered by the Commission on such date or (b) the amount on deposit in the Debt Service Fund not required to pay interest, principal and Redemption Price on other Bonds, and deposit such amounts in the Revenue Fund. If the principal amount of Bonds retired pursuant to this subsection through application of any Sinking Fund Installment shall exceed the amount of such Sinking Fund Installment, or in the event of the purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments have been established from moneys other than Sinking Fund Installments, such excess or the principal amount of Bonds so purchased or redeemed, as the case may be, shall be credited towards future Sinking Fund Installments either (a) in order of their due dates or (b) in such order as the Commission establishes in a certificate signed by an Authorized Officer of the Commission, and delivered to the Trustee on or prior to the date Bonds are selected for redemption as a result of such Sinking Fund Installment.

3. The amount of accrued interest, if any, deposited in the Debt Service Fund from the proceeds of a Series of Bonds shall be set aside in such Fund and applied to the payment of the interest on the Bonds of such Series as provided in the Supplemental Resolution authorizing such Series of Bonds.

4. In the event of the refunding of any Bonds, the Trustee shall, if the Commission so directs, withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to interest on or Principal Installments of 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 (a) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 1201, and (b) the amount remaining in the Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to paragraph (1) of subsection 3 of Section 504. In the event of such refunding, the Commission may also direct the Trustee to withdraw from 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 in the Debt Service Reserve Fund; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied and provided, further, that at the time of such withdrawal, there shall exist no deficiency in any Fund held under the Resolution.

Section 507. **Debt Service Reserve Fund.** 1. If on the due date of any interest on the Bonds or any Principal Installment, the amount in the Debt Service Fund shall be less than the amount required to pay such interest or Principal Installment, the Trustee shall apply amounts from the Debt Service Reserve Fund to the extent necessary to make good the deficiency. As soon as practicable after any such application of amounts from the Debt Service Reserve Fund, the Trustee shall give written notice of such event to the County.

2. Whenever the moneys on deposit in the Debt Service Reserve Fund shall exceed the Debt Service Reserve Requirement, the Trustee, at the direction of an Authorized Officer of the Commission, shall withdraw the amount of such excess and deposit such amount in the Revenue Fund.

3. Whenever moneys and Investment Securities in the Debt Service Reserve Fund, together with the moneys and Investment Securities in the Debt Service Fund, are sufficient to pay all Outstanding Bonds in accordance with their terms, the Commission shall direct the Trustee in writing to transfer such moneys and

Investment Securities to the Debt Service Fund and apply the same to the payment of such Bonds.

4. Notwithstanding anything in the Resolution to the contrary, in lieu of the deposits of moneys into the Debt Service Reserve Fund required by the Resolution, the Commission may cause a Debt Service Reserve Fund Credit Facility to be deposited into the Debt Service Reserve Fund in lieu of all or a portion of the Debt Service Reserve Requirement upon compliance with the following terms and conditions:

(a) If the Debt Service Reserve Fund Credit Facility is a surety bond or an insurance policy, it shall be a surety bond or insurance policy which is (i) issued to the Trustee by a company licensed to issue an insurance policy guaranteeing the timely payment of Debt Service on the Bonds, if the claims paying ability of such company shall be rated "AAA" or "Aaa" by S&P or Moody's, respectively, or (ii) issued to the Trustee by an entity other than by a company licensed to issue an insurance policy guaranteeing timely payment of Debt Service on the Bonds, if the form and substance of such instrument and the issuer thereof shall be approved by the Trustee.

(b) If the Debt Service Reserve Fund Credit Facility is a letter of credit it shall be an unconditional irrevocable letter of credit which is (i) issued to the Trustee by a bank or other financial institution rated at least "AA" by S&P or "Aa" by Moody's, (ii) is payable in one or more draws upon presentation by the Trustee of a sight draft accompanied by the Trustee's certificate that it then holds insufficient funds to make a required payment of Debt Service on the Bonds, which draws are payable within two days of presentation of the sight draft, and (iii) for a term of not less than three years. The issuer of the letter of credit shall be required to notify the Commission and the Trustee, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if the expiration is to be extended, such notice shall indicate the new expiration date. If such notice indicates that the expiration date shall not be extended, the Commission shall deposit moneys or Investment Securities into the Debt Service Reserve Fund, as hereinafter provided in this sentence, in an amount sufficient so that the moneys and Investment Securities on deposit in the Debt Service Reserve Fund, together with any other Debt Service Reserve Fund Credit Facility on deposit in the Debt Service Reserve Fund, shall equal the Debt Service Reserve Requirement, such deposit to be paid in equal installments on at least a

semi-annual basis over the remaining term of the letter of credit, unless such letter of credit is replaced by another Debt Service Reserve Fund Credit Facility satisfying the requirements of this subsection 4 of Section 507. Any letter of credit deposited into the Debt Service Reserve Fund pursuant to this subsection 4 of Section 507 shall permit a draw in full on such letter of credit not less than two weeks prior to the expiration or termination of such letter of credit if such letter of credit has not been replaced or renewed. The Trustee shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement Debt Service Reserve Fund Credit Facility is in place or the Debt Service Reserve Fund is fully funded to the Debt Service Reserve Requirement.

(c) The use of any Debt Service Reserve Fund Credit Facility pursuant to this subsection 4 of Section 507 shall be subject to receipt by the Trustee of an opinion of counsel acceptable to the Trustee, in form and substance satisfactory to the Trustee, as to the due authorization, execution, delivery and enforceability of such Debt Service Reserve Fund Credit Facility in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such Debt Service Reserve Fund Credit Facility is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the Trustee. In addition, the use of an irrevocable letter of credit as a Debt Service Reserve Fund Credit Facility shall be subject to receipt by the Trustee of an opinion of counsel acceptable to the Trustee, in form and substance satisfactory to the Trustee, to the effect that payments under such letter of credit will not constitute avoidable preferences under Section 547 of the United States Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the United States Bankruptcy Code or similar state laws by or against the Commission or the Trustee.

(d) The obligation of the Commission to reimburse the issuer of a Debt Service Reserve Fund Credit Facility for any fees, expenses, claims or draws upon such Debt Service Reserve Fund Credit Facility shall be subordinate and junior in all respects to the deposits required to be made into the Debt Service Fund under the provisions of subsection 3 of Section 504 in order to pay the Debt Service on the Bonds. The right of the issuer of a Debt Service Reserve Fund Credit Facility to payment or reimbursement from the Commission of its fees and expenses shall also be subordinate to the deposits required to be made into the Debt Service Reserve Fund under the provisions of subsection 3 of Section 504 and, except as otherwise set forth below, the right of the issuer of such Debt Service Reserve Fund Credit Facility to reimbursement from the Commission for claims or draws on its Debt Service Reserve Fund Credit Facility shall be on a parity with the deposits required to be made into the Debt Service Reserve Fund under the provisions of subsection 3 of Section 504. Any Debt Service Reserve Fund Credit Facility deposited into the Debt Service Reserve Fund shall provide for a revolving feature under which the amount available to be drawn or claimed thereunder will be reinstated to the extent of any reimbursement of any draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Debt Service Reserve Fund Credit Facility to reimbursement from the Commission for claims or draws on its Debt Service Reserve Fund Credit Facility shall become subordinate and junior in all respects to the deposits required to be made into the Debt Service Reserve Fund under the provisions of subsection 3 of Section 504 in an amount equal to the difference between the full original amount available to be drawn or claimed under such Debt Service Reserve Fund Credit Facility and the amount then available to be drawn or claimed under such Debt Service Reserve Fund Credit Facility. If (a) the issuer of a Debt Service Reserve Fund Credit Facility becomes insolvent, or (b) the issuer of a Debt Service Reserve Fund Credit Facility defaults in its payment obligations thereunder, or (c) the Debt Service Reserve Fund Credit Facility is an insurance policy or a surety bond and the claims paying ability of the issuer of such insurance policy or surety bond falls below a rating of "AAA" or "Aaa" by S&P or Moody's, respectively, or (d) such Debt Service Reserve Fund Credit Facility is a letter of credit and the rating of the issuer of such letter of credit falls below a rating of "AA" or "Aa" by S&P or Moody's, respectively, then the obligation of the Commission to reimburse the issuer of the Debt Service Reserve Fund Credit Facility for claims or draws on the Debt Service Reserve Fund Credit Facility shall be or become subordinate and junior in all respects to the deposits required to be made into the Debt Service Reserve Fund under the provisions of subsection 3 of Section 504.

(e) If (a) the revolving reinstatement feature of the Debt Service Reserve Fund Credit Facility described in the preceding paragraph is suspended or terminated, or (b) the Debt Service Reserve Fund Credit Facility is an insurance policy or surety bond and the rating of the

claims paying ability of the issuer of such insurance policy or surety bond falls below a S&P "AAA" or a Moody's "Aaa", or (c) the Debt Service Reserve Fund Credit Facility is a letter of credit and the rating of the issuer of such letter of credit falls below a rating of "AA" or "Aa" by S&P or Moody's, respectively, then the Commission shall either (i) deposit moneys or Investment Securities into the Debt Service Reserve Fund an amount sufficient so that the moneys and Investment Securities on deposit in the Debt Service Reserve Fund, together with any other Debt Service Reserve Fund Credit Facility on deposit in the Debt Service Reserve Fund, shall equal the Debt Service Reserve Requirement, such moneys or Investment Securities to be deposited into the Debt Service Reserve Fund in at least semi-annual equal installments over the next five years, or (ii) within two years of such occurrence, replace such Debt Service Reserve Fund Credit Facility with another Debt Service Reserve Fund Credit Facility satisfying the requirements of this subsection 4 of Section 504. If (a) the Debt Service Reserve Fund Credit Facility is an insurance policy or a surety bond and the claims paying ability of the issuer of such insurance policy or surety bond falls below a rating of "A" or "A" by S&P or Moody's, respectively, or (b) if the Debt Service Reserve Fund Credit Facility is a letter of credit and the rating of the issuer of such letter of credit falls below a rating of "A" or "A" by S&P and Moody's, respectively, or (c) the issuer of the Debt Service Reserve Fund Credit Facility defaults in its payment obligations under the Debt Service Reserve Fund Credit Facility, or (d) the issuer of the Debt Service Reserve Fund Credit Facility becomes insolvent, the Commission shall either (i) deposit moneys or Investment Securities into the Debt Service Reserve Fund in an amount sufficient so that the moneys and Investment Securities on deposit in the Debt Service Reserve Fund, together with any other Debt Service Reserve Fund Credit Facility on deposit in the Debt Service Reserve Fund, shall equal the Debt Service Reserve Requirement, such moneys or Investment Securities to be deposited into the Debt Service Fund in at least monthly equal installments over the next year, or (ii) within two years of such occurrence, replace such Debt Service Reserve Fund Credit Facility with another Debt Service Reserve Fund Credit Facility satisfying the requirements of this subsection 4 of Section 504.

(f) If a Debt Service Reserve Fund Credit Facility is on deposit in the Debt Service Reserve Fund, the Trustee shall, not later than three days (or such longer period as may be required under the terms of the Debt Service Reserve Fund Credit Facility) prior to each

interest payment date for the Bonds, ascertain the need for making a draw or claim upon the Debt Service Reserve Fund Credit Facility and provide notice of such draw or claim, if any, to the issuer of the Debt Service Reserve Fund Credit Facility in accordance with the terms of such Debt Service Reserve Fund Credit Facility.

(g) If a Debt Service Reserve Fund Credit Facility is on deposit in the Debt Service Reserve Fund, moneys on deposit in the Debt Service Reserve Fund and the proceeds of the liquidation of any Investment Securities on deposit therein shall be used by the Trustee to make any transfers from the Debt Service Reserve Fund required by this Section 504 prior to making any draw or claim upon the Debt Service Reserve Fund Credit Facility. If and to the extent there is more than one Debt Service Reserve Fund Credit Facility on deposit in the Debt Service Reserve Fund, drawings or claims under such Debt Service Reserve Fund Credit Facilities and repayments of costs associated therewith shall be made on a pro rata basis calculated by reference to the maximum amounts available to be drawn or claimed under each such Debt Service Reserve Fund Credit Facility.

5. In the event of the refunding of any Bonds, the Trustee shall, if the Commission so directs, withdraw from the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to 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 (a) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 1201, and (b) the amount remaining in the Debt Service Reserve Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Requirement.

Section 508. **Reserve Maintenance Fund.** 1. Amounts on deposit in the Reserve Maintenance Fund may be applied to the cost of major resurfacing, repainting, replacement or reconstruction of the Bridge System, including the prevention or correction of any unusual loss or damage to the Bridge System or major or extraordinary repairs, renewals or replacements of the Bridge System and major acquisitions of equipment therefor. The Commission shall initially fund the Reserve Maintenance Fund to the Reserve Maintenance Fund Requirement from available moneys of the Commission.

2. If at any time the amounts on deposit in the Debt Service Fund are less then the amounts required to be on deposit in such Fund or there shall be a deficiency in the Debt Service

Reserve Requirement, the Trustee shall withdraw from the Reserve Maintenance Fund and deposit in the Debt Service Fund or the Debt Service Reserve Fund, as the case may be, the amount necessary (or all the moneys in the Reserve Maintenance Fund if less than the amount necessary) to make up such deficiency.

3. The Trustee shall make payments from the Reserve Maintenance Fund, except payments and withdrawals pursuant to subsection 2 of this Section 508, in the amounts, at the times, in the manner and on the other terms and conditions set forth in this subsection. Before any payment from the Reserve Maintenance Fund shall be made, the Commission shall file with the Trustee its requisition therefor, signed by an Authorized Officer of the Commission and the Consulting Engineer, stating in respect of each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid, and (c) the particular item of cost to be paid and that the cost in the stated amount is for one of the purposes set forth in subsection 1 of this Section 508 which has not been previously paid. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method agreed upon by the Commission and the Trustee arrange to make the payment required by such requisition.

4. Whenever the moneys on deposit in the Reserve Maintenance Fund shall exceed the Reserve Maintenance Requirement, the Trustee shall withdraw the excess and deposit it in the Revenue Fund.

Section 509. **General Reserve Fund.** 1. The Commission shall transfer from the General Reserve Fund to the various Funds, and in the order of priority specified in Section 504, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) (a) to make up any deficiencies in payments to said Funds required by Section 504 and (b), in the event of any transfer of moneys to other Funds pursuant to Sections 506, 507 or 508, the amount necessary to make up the deficiency, if any, resulting from such transfer in the Fund from which such transfer is made.

2. Amounts in the General Reserve Fund not required to meet a deficiency under subsection 1 of this Section 509 shall be applied first to reimburse the County for any amounts owing under the Security Agreement and thereafter, subject to the terms of any pledge securing Subordinated Indebtedness, may be applied to any one or more lawful purpose of the Commission, including without limitation, the following:

(a) payment of the principal or redemption price of and interest on any Subordinated Indebtedness;

(b) payments into the Construction Fund for application to the purposes of such Fund;

(c) improvements, extensions and betterments to, and renewals and replacements of the Bridge System or any other facility of the Commission or the provision of one or more reserves therefor;

(d) payments into the Revenue Fund; and

(e) the purchase or redemption of any Bonds and expenses of such purchase or redemption.

Section 510. **Subordinated Indebtedness.** The Commission may, at any time or from time to time, issue notes, bonds or other evidences of indebtedness, other than the Bonds, which are payable out of, and which may be secured by a pledge of, such amounts in the General Reserve Fund as may from time to time be available for the purpose of payment thereof; provided, however, that (a) such indebtedness shall be incurred only for any one or more of the purposes set forth in subsection 2 of Section 509 and the proceeds of such indebtedness shall only be applied for such purpose or purposes and (b) such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution.

ARTICLE VI

DEPOSITORIES, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. **Depositories.** All moneys held by the Trustee under the provisions of the Resolution shall be deposited with the Trustee or with one or more Depositories in trust for the Trustee. All moneys held by the Commission under the Resolution shall be deposited with one or more Depositories in the name of the Commission and the Commission shall not less frequently than monthly advise the Trustee of the identity of such Depositories, the numbers of its accounts therewith and the amounts in such accounts. 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 each of the Funds shall be a trust fund.

Section 602. **Deposits.** 1. All moneys held by any Depository as aforesaid may be placed on demand or time deposit, as directed by the Commission, provided that such deposits shall permit the moneys so held to be available for use 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 as if it were not a Fiduciary. All moneys held by any Fiduciary may be deposited in its banking department on demand or, if and to the extent directed by the Commission, on time deposit, provided that such moneys on deposit be available for use 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.

2. All moneys held as aforesaid by the Trustee or any Depository shall be continuously and fully invested in Investment Securities for the benefit of the Commission and the Owners of the Bonds.

3. All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or account therein to which such moneys belong.

Section 603. **Investment of Certain Funds.** 1. Moneys held in the Construction Fund and the Revenue Fund shall be invested and reinvested by the Trustee at the written direction of the Commission in Investment Securities specified in such written direction which mature no later than necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Operating Fund shall be invested and reinvested by the Commission in Investment Securities which mature no later than necessary to provide moneys when needed for payments to be made from such Fund. Moneys held in the Debt Service Fund and the Debt Service Reserve Fund shall be invested and reinvested by the Trustee at the written direction of the Commission to the fullest

extent practicable in Investment Securities specified in such written direction, which Investment Securities shall mature no later than necessary to provide moneys when needed for payments to be made from such Funds, but no moneys in the Debt Service Reserve Fund shall be invested in any Investment Security maturing more than 10 years from the date of such investment. Amounts in the Reserve Maintenance Fund may be invested by the Trustee at the written direction of the Commission in Investment Securities which mature within 3 years. Amounts in the General Reserve Fund may be invested by the Commission in Investment Securities which mature within 3 years, but no later than necessary to provide moneys when needed for payments from such Fund.

2. So long as the moneys in the Debt Service Fund equal Accrued Aggregate Debt Service, income from investment of the Debt Service Fund shall be deposited in the Revenue Fund. If the moneys on deposit in the Debt Service Fund do not equal Accrued Aggregate Debt Service, income from the investment of the Debt Service Fund shall be retained in the Debt Service Fund. Income from investment of the Debt Service Reserve Fund shall be deposited in the Revenue Fund to the extent that the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement. All deposits in the Revenue Fund of income from investments as hereinabove provided shall be made forthwith upon receipt and in no event later than the 20th day of the month next succeeding such receipt. Investment income from all other Funds, except the Construction Fund, shall be paid into the Revenue Fund. Investment income from the Construction Fund shall be held in the Construction Fund.

Section 604. **Valuation and Sale of Investments.** 1. Investment Securities in any Fund shall be deemed at all times to be part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund and any loss resulting from liquidation of such investment shall be charged to such Fund.

2. A valuation of the moneys and Investment Securities on deposit in any Fund created under the Resolution shall be made by the Trustee at any time as the Commission may reasonably request; provided, however, that in any event a valuation of the moneys and Investment Securities on deposit in each Fund shall be made by the Trustee as of October 1 in each year. In computing the amounts on deposit in any Fund, Investment Securities therein shall be valued as provided in subsection 3 of this Section 604.

3. The value of Investment Securities on deposit in any Fund under the Resolution shall be the fair market value thereof as of the time of the valuation, exclusive of accrued interest.

4. Except as otherwise provided in the Resolution, the Trustee, at the written direction of the Commission, shall sell at the best price obtainable, or present for redemption, any Invest-

ment Security held in any Fund whenever it shall be necessary in order to provide moneys to meet any payment or transfer from such Fund. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VII

PARTICULAR COVENANTS OF THE COMMISSION

The Commission covenants and agrees with the Trustee and the Bondowners as follows:

Section 701. **Payment of Bonds.** The Commission shall duly and punctually pay or cause to be paid the principal or Redemption Price, if any, and all Sinking Fund Installments of every Bond and of all Subordinated Indebtedness and the interest thereon, at the dates and places and in the manner mentioned therein, according to the true intent and meaning thereof.

Section 702. **Extension of Payment of Bonds.** The Commission shall not extend or assent to the extension of the maturity of any Bond or installment of interest thereon. Nothing herein shall be deemed to limit the right of the Commission to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of the maturity of Bonds or any installment of interest thereon.

Section 703. **Construction and Completion of the Bridge System.** The Commission will do all things necessary to complete the acquisition, construction, development, reconstruction or replacement of the Bridge System as and when necessary to enable the Commission to comply with the terms and conditions of the Resolution.

Section 704. **Offices for Servicing Bonds.** The Commission shall at all time maintain one or more agencies in the State of New Jersey, where Bonds may be presented for payment, registration, transfer or exchange and where notices, demands and other documents may be served upon the Commission in respect of the Bonds or the Resolution.

Section 705. **Further Assurance.** At any and all times the Commission shall, as far as it may be authorized by law, 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, Revenues and other moneys, securities and Funds hereby pledged or assigned, or which the Commission may become bound to pledge or assign.

Section 706. **Power to Issue Bonds and Pledge Revenues and Other Funds.** The Commission is duly authorized under all applicable laws to 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 created by the Resolution, and all corporate or other action on the part of the Commission to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be valid and legally enforceable obligations of the Commission in accordance with their terms and the terms of the Resolution. The Commission 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 Bondowners under the Resolution against all claims and demands.

Section 707. **Power to Operate Bridge System and Collect Tolls and Fees.** The Commission has, and will have so long as any Bonds are Outstanding, good right and lawful power to construct, reconstruct, improve, maintain, operate and repair the Bridge System and to fix and collect tolls, fees, rents or charges, all as provided in the Act as amended and supplemented to the date of adoption of the Resolution.

Section 708. **Indebtedness and Liens.** The Commission shall not issue any bonds or other evidences of indebtedness, other than the Bonds, which are payable from or secured by a pledge of the Pledged Property held or set aside by the Commission or by the Trustee under the Resolution, exclusive of the amounts held pursuant to Section 1201, 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 Commission from issuing Subordinated Indebtedness.

Section 709. **Sale, Lease and Encumbrance of Property.** 1. No item of property or facility constituting part of the Bridge System owned by the Commission shall be sold, mortgaged, leased or otherwise disposed of; provided that the Commission may sell, lease, or exchange at any time or from time to time any item of such property or facilities (A) (i) if the higher of original cost or replacement value of any single such item or facility does not exceed $100,000 and the aggregate value so determined of all such items or facilities so disposed of within any one Fiscal Year does not exceed $1,000,000, or (ii) if not useful in the operations thereof, provided the Commission files with the Trustee a certificate of the Consulting Engineer stating that the sale, lease or exchange of such property or facilities will not adversely affect the ability of the Commission to generate sufficient Revenues to satisfy the covenants contained in Section 714, and (B) if any Tax-Exempt Bonds shall be Outstanding at the time of such sale, lease or exchange, the Commission shall have delivered to the Trustee an Opinion of Bond Counsel stating that such sale, lease or exchange will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Tax-Exempt Bonds.

Any proceeds of any such sale, lease or exchange not used to acquire other property necessary or desirable for the safe or efficient operation of the Bridge System shall be deposited in the Revenue Fund.

2. Notwithstanding the provisions of subsection 1 of this Section, the Commission may make contracts for the use of any property of the Bridge System, including any rights-of-way, easements or other rights for telephone, telegraph, electric light or power lines or other purposes not prohibited by the Act, and may fix the terms, conditions, rents and rates of charges for such use, provided the Commission files with the Trustee a certificate of the Consulting Engineer stating that the use of any property of the Bridge System, including, any rights-of-way, or power lines or other rights for telephone, telegraph, electric light or power lines or other purposes not prohibited by the Act, will not adversely affect the ability of the Commission to generate sufficient Revenues to satisfy the covenants contained in Section 714. Any payments to the Commission under or in connection with any lease, contract, license, easement, concession or right in respect of any part of the Bridge System shall constitute Revenues.

Section 710. **Consulting Engineer and Traffic Engineer.** 1. The Commission shall, until the Bonds and the interest thereon shall have been paid or provision for such payment shall have been made, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by the Resolution, employ an independent engineer or engineering firm or corporation having a nationwide and favorable reputation for skill and experience in such work.

2. It shall be the duty of the Consulting Engineer to make an inspection at least once in each Fiscal Year of each facility in the Bridge System and on or before August 1 of each year to submit to the Commission and the Trustee an annual report setting forth (a) their findings whether each such facility has been maintained in good repair, working order and condition, (b) their advice and recommendations as to the proper operation, maintenance, repair and improvement of each such facility and as to the provision for machinery and equipment to be included in the equipment account of the Commission's Annual Budget during the year beginning the next October 1, and an estimate of the amount of money necessary for such purposes, (c) their advice and recommendations as to the insurance to be carried under the provisions of Section 716 and (d) their recommendations as to the minimum balance which should be on deposit at the end of such year in the Reserve Maintenance Fund for the purposes set forth in Section 508.

3. The Commission shall, until the Bonds and the interest thereon shall have been paid or provision for such payment shall have been made, for the purpose of performing and carrying out the duties imposed on the Traffic Engineer by the Resolution,

employ an independent engineer or engineering firm or corporation having a nationwide and favorable reputation for skill and experience in such work. In performing any duties and rendering any certificates or reports required by the Resolution, the Traffic Engineer may rely on estimates supplied by the Commission of all Revenues except tolls, revenues, fees, charges, rents and other income and receipts derived from the operation of the Bridge System.

Section 711. **Annual Budget.** 1. On or before August 1 of each year, the Commission shall prepare and file with the Trustee a preliminary budget of Operating Expenses and reserves therefor for the ensuing year. The Commission shall comply with any reasonable request of the Trustee as to the classifications in which such budget shall be presented, particularly with respect to the divisions into which such budget shall be divided. Each such budget and each Annual Budget may include, in addition to appropriations for all anticipated Operating Expenses and reserves therefor, appropriations, if any, necessary to cause the amounts on deposit in the Reserve Maintenance Fund to equal the Reserve Maintenance Requirement. Such preliminary budget and any Annual Budget may set forth such additional material as the Commission may determine.

2. On or before September 30 of each year, the Commission shall finally adopt the Annual Budget for the following Fiscal Year. The Commission may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. Copies of the Annual Budget and of any amended Annual Budget shall be promptly filed with the Trustee, for inspection by Bondowners, and sent to the Consulting Engineer.

3. If for any reason the Commission shall not have adopted the Annual Budget for a Fiscal Year on or before October 1 of such Fiscal Year, the budget for the preceding Fiscal Year shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such year is adopted. For any purpose of computation under the provisions of Article V, the budget for the preceding year shall be deemed to have been adopted for any Fiscal Year until the Annual Budget for such year shall be adopted and a copy thereof filed with the Trustee.

Section 712. **Limitations on Operating Expenses.** The Commission shall not pay Operating Expenses in any year in excess of the reasonable and necessary amount thereof, and shall not expend any amount for any such Expenses for such year in excess of the amounts provided therefor in the Annual Budget as originally adopted or as amended. Nothing in this Section contained shall limit the amount which the Commission may expend for any such Operating Expenses in any year provided any amounts expended therefor in excess of the amounts provided in such Annual Budget shall be received by the Commission from a source other than Revenues and the Commission shall not make or receive any reimbursement therefor out of Revenues.

Section 713. **Operation and Maintenance of Bridge System.** The Commission shall at all times operate the Bridge System, or cause it to be operated, properly and in a prudent and economic manner and shall so maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Bridge System may be properly and advantageously conducted.

Section 714. **Covenant as to Tolls and Charges.** 1. The Commission shall at all times fix, charge and collect tolls for the use of the toll bridges of the Bridge System at rates not less than those set forth in any schedule of tolls then in effect.

2. The Commission shall at all times fix, charge and collect such tolls for the use of the toll bridges of the Bridge System as shall be required in order that in each Fiscal Year Revenues shall at least equal (a) all Operating Expenses for such year plus (b) 105% of Aggregate Debt Service for such Fiscal Year and (c) the requirements of all Funds for such Fiscal Year.

3. If at any time in any Fiscal Year the Commission shall become aware that the Revenues may not be sufficient to enable it to comply with subsection 2 of this Section, the Commission shall (a) take whatever budgetary steps it deems necessary to enable it to comply with such subsection 2 and (b) cause additional Revenues to be collected in such Fiscal Year and later Fiscal Years sufficient to eliminate the amount of any deficiency at the earliest practicable time.

4. The Commission shall not effect any reduction in any toll fixed for the use of the toll bridges of the Bridge System or any portion thereof unless there are no deficiencies in any Fund, such reduction will not result in the violation of any other covenant of the Commission contained in the Resolution and 30 days notice of such reduction has been given to the Trustee and then only if, accompanying said notice, there shall be filed with the Trustee:

(1) A certificate of the Consulting Engineer stating whether, to the best of its knowledge, any Federal, State or other agency is then projecting or planning the construction, improvement, or acquisition of any bridge or other facility which, in the opinion of the Consulting Engineer, may be materially competitive with any portion of the Bridge System and the estimated date of completion of such bridge or other facility, and setting forth estimates of Revenues, giving effect to the completion of any uncompleted portion of the Bridge System, for the then current and each future Fiscal Year to and including the latest maturity of the Bonds on the following assumptions: (a) that any such competing bridge or other facility will be completed on such estimated date and will thereafter be in operation during the period covered by such estimates, and (b) that no additional traffic will result from such proposed toll reduction. To the extent that the Consulting Engineer should require the assistance of the Traffic Engineer in preparing such certificate, particularly with respect to the preparation of the estimates of Revenues, the Consulting Engineer may employ the Traffic Engineer to prepare any related reports or certificates and may rely on any such reports or certificates prepared by the Traffic Engineer in delivering its certificate;

(2) A certificate of the Consulting Engineer setting forth, for the years and on the assumptions specified in the certificate of the Consulting Engineer delivered pursuant to paragraph (1) of this subsection, estimates of Operating Expenses and Reserve Maintenance Requirement payments, giving effect to the completion of any uncompleted portion of the Bridge System; and

(3) A certificate of an Authorized Officer of the Commission setting forth (a) the Aggregate Debt Service (without excluding interest on Bonds the payment of which shall have been provided by payments or deposits out of Bond proceeds) for the next succeeding Fiscal Year, (b) the Reserve Maintenance Requirement for the then current Fiscal Year, and the estimated Reserve Maintenance Requirement for the next succeeding Fiscal Year, (c) the Aggregate Debt Service for the then current and next succeeding 5 Fiscal Years and (d) the Revenues for the next succeeding Fiscal Year, and stating that (x) Revenues for the preceding Fiscal Year have equalled at least the amounts required by subsection 2 of this Section 714 for such year, (y) the estimated Revenues (based on the certificates filed pursuant to paragraphs (1) and (2) of this subsection) for the then current and each of the next succeeding 5 Fiscal Years are not less than the estimated amounts required by subsection 2 of

this Section 714 for each such year, and (z), if there shall be any uncompleted portion of the Bridge System, such estimated amounts for each such year include the Aggregate Debt Service, as estimated by such Authorized Officer, with respect to all future Series of Bonds which (based on estimates by the Consulting Engineer of Costs of the Bridge System for such portion of the Bridge System) will be required to complete such portion of the Bridge System.

5. The Commission may increase toll rates at any time and from time to time upon the written recommendation of the Consulting Engineer, as evidenced by such Engineer's certificate on file with the Commission. To the extent that the Consulting Engineer should require the assistance of the Traffic Engineer in preparing such certificate, particularly with respect to the preparation of the estimates of Revenues, the Consulting Engineer may employ the Traffic Engineer to prepare any related reports or certificates and may rely on any such reports or certificates prepared by the Traffic Engineer in delivering its certificate. The Commission may make any other adjustment or reclassification of toll rates or establish special toll rates provided that such action (a) is recommended by the Consulting Engineer, as evidenced by such Engineer's certificate on file with the Commission, and (b) will not result in a reduction of Revenues for the then current or any future Fiscal Year, as determined by certificates, filed with the Trustee setting forth the estimated Revenues and the estimated Operating Expenses and the Reserve Maintenance Requirement, such certificates meeting the requirements of paragraphs (2) and (3), respectively, of subsection 4 of this Section 714.

6. The Commission shall forthwith upon the adoption of any schedule of tolls or revision thereof file certified copies thereof with the Trustee.

Section 715. **Classification of Tolls; Free Passage.** 1. Tolls for using the Bridge System shall be classified in a reasonable way to cover all traffic.

2. The Commission shall not grant free passage for the use of the toll bridges in the Bridge System, except (a) to members, officers and employees of the Commission actually in the performance of their duties or in the course of traveling to or from the place of the performance of such duties, (b) to members of the New Jersey State Police Force in the performance of their duties, to members of any fire department or any local police department in the performance of their duties and to any public or private ambulance or rescue squad service for the emergency passage of its ambulance or rescue vehicles, (c) to employees of the County in the performance of their duties, (d) to members of the military of the United States of America in the performance of their duties, (e) to any vehicles which the Commission, in consultation with the

Consulting Engineer, shall determine should have free passage in order to protect the structural integrity of the toll bridges of the Bridge System and/or the health, safety and welfare of the employees of the Commission and (f) as may otherwise be provided by law.

Section 716. **Maintenance of Insurance.** 1. The Commission shall at all times maintain, to the extent reasonably obtainable, the following kinds and the following amounts of insurance, with such variations as shall reasonably be required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductions as are ordinarily required:

(1) Multi-risk insurance on the facilities of the Bridge System which are of an insurable nature and of the character usually insured by those operating similar facilities, covering direct physical loss or damage thereto from causes customarily insured against, in such amounts as the Consulting Engineer shall certify to be necessary or advisable to provide against such loss or damage and to protect the interests of the Commission and the Bondowners;

(2) Use and occupancy insurance covering loss of Revenues, tolls and other revenues by reason of necessary interruption, total or partial, in the use of facilities of the Bridge System, due to loss or damage to any such facility on which the Commission maintains such multi--risk insurance, in such amounts as the Consulting Engineer shall certify will provide income during the period of interruption equal to the amount of the loss of Revenues, tolls and other revenues, computed on the basis of Revenues, tolls and other revenues for the corresponding period during the preceding Fiscal Year, attributable to such loss or damage;

(3) War risk insurance, if obtainable from the United States Government or an agency thereof, covering direct physical loss or damage, and loss of Revenues, tolls and other revenues attributable thereto, on the facilities of the Bridge System which are insurable thereunder, as nearly as possible in the amounts provided under paragraphs (1) and (2) of this subsection;

(4) Public liability insurance covering injuries to persons and property in such amounts as the Consulting Engineer shall certify as adequate to insure the Commission against claims arising out of the construction, maintenance, reconstruction or operation of the facilities of the Bridge System;

(5) During the construction or reconstruction of any portion of the facilities of the Bridge System, such insurance as is customarily carried by others with respect to similar structures used for similar purposes, provided that the Commission shall not be required to maintain any such insurance to the extent that such insurance is carried for the benefit of the Commission by contractors; and

(6) Any additional or other insurance which the Consulting Engineer shall certify is necessary or advisable to protect the interests of the Commission and the Bondowners.

2. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Trustee.

3. Certifications by the Consulting Engineer made pursuant to this Section shall be in writing and filed with the Commission and the Trustee. The Commission shall file with the Trustee annually, within 100 days after the close of each Fiscal Year, a certificate of an Authorized Officer of the Commission (a) describing in reasonable detail the insurance then in effect pursuant to this Section and that the Commission has complied in all respects with the requirements of this Section, and (b) stating whether during such year any portion of the Bridge System has been damaged or destroyed and, if so, the amount of insurance proceeds covering such loss or damage and the Commission's reasonable and necessary costs of reconstruction or replacement thereof.

4. In the event any insurance required by this Section 716 is not available on a commercially reasonable basis, the Commission may procure alternative insurance or self-insure on an actuarial basis in lieu thereof, but only if such insurance or self-insurance is approved by the Consulting Engineer or an independent insurance consultant engaged by the Commission and such approval is evidenced by a certificate of the Consulting Engineer or such consultant, as the case may be, filed with the Trustee.

Section 717. **Reconstruction; Application of Insurance Proceeds.** The proceeds of any insurance paid on account of damage or destruction of any portion of the Bridge System, and the proceeds of any applicable use or occupancy insurance, shall be applied as follows:

(1) If any useful portion of the Bridge System (which portion, as evidenced by a certificate of the Consulting Engineer, is necessary in order for the Commission to generate sufficient Revenues to satisfy the covenants contained in Section 714) shall be damaged or destroyed, the Commission shall, as expeditiously as

possible, continuously and diligently prosecute the reconstruction or replacement thereof. The proceeds of any insurance paid on account of such damage or destruction, other than use and occupancy insurance, shall, to the extent necessary, be applied to the cost of such reconstruction or replacement; provided, however, that if the costs of such reconstruction or replacement were previously paid by withdrawing moneys from the Reserve Maintenance Fund, then the proceeds of any such insurance shall be deposited into the Reserve Maintenance Fund. The proceeds of any insurance not so applied within 18 months after receipt shall be paid into the Revenue Fund unless there shall have been sooner filed with the Trustee a certificate of an Authorized Officer of the Commission stating the intention of the Commission to apply such proceeds to such reconstruction or replacement.

(2) If the proceeds of insurance authorized by this Section to be applied to the reconstruction or replacement of any portion of the Bridge System are insufficient for such purpose, the deficiency may be supplied out of moneys in the Reserve Maintenance Fund to the extent, as shown by a certificate of the Consulting Engineer filed with the Trustee, not needed to be reserved for the purposes of such Fund.

(3) The proceeds of insurance against physical loss of or damage to any portion of the Bridge System, or of contractors performance bonds with respect to any such portion of the Bridge System, received during the period of construction thereof, shall be paid into the Construction Fund.

(4) The proceeds of any use and occupancy insurance shall be paid into the Revenue Fund.

Section 718. **Accounts and Reports.** 1. The Commission shall keep proper books of records and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Bridge System and all Funds, and which, together with all other books and papers of the Commission, including insurance policies, shall at all times be subject to the inspection of the Trustee and the Owners of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing. The Commission further covenants that it will keep an accurate record of the total cost of construction of the Bridge System, and of the daily tolls, Revenues and receipts of any sort collected for the use of and otherwise in connection with the Bridge System, of the number and class of vehicles using the Bridge System and of the application of such tolls, Revenues and other receipts.

2. The Commission further covenants that at least once a month it will cause to be filed with the Trustee and mailed to the Consulting Engineer, a report setting forth the following information with respect to (a) the preceding calendar month and the corresponding month of the preceding Fiscal Year, and (b) the 12-month period ending with the preceding calendar month and the 12-month period ending with the corresponding month of the preceding Fiscal Year:

(1) The income and expense account of the Bridge System and a statement of all tolls, Revenues and other receipts.

(2) The number of vehicles in each class using the Bridge System.

(3) The tolls, Revenues and other receipts derived from each class of vehicles using the Bridge System.

(4) A statement of other classifications of such tolls, Revenues and other receipts.

3. The Commission further covenants that by January 1 and July 1 of each year it will cause to be filed with the Trustee and mailed to the Consulting Engineer, a report setting forth the information called for by paragraphs (1) through (4) of subsection 2 of this Section 718 with respect to the twelve-month period ending on the preceding September 30 and the six-month period ending on the preceding March 31, respectively, and the corresponding twelve-month period and six-month period of the preceding Fiscal Year plus the following additional information for such periods:

(1) All payments, deposits, and credits to and payments, transfers, and withdrawals from each Fund and separate account created under the Resolution,

(2) The details of all Bonds issued, paid, purchased, or redeemed,

(3) Balance sheets relating to the Bridge System as of the end of such period,

(4) The amounts at the end of such period in each Fund and to the credit of each account created under the Resolution, showing the respective amounts to the credit of each such Fund and account in each bank, including the Trustee, and any security held therefor, and showing the details of any investments thereof,

(5) The amounts of the proceeds received from any sales of property of the Bridge System, and

(6) Copies of any revisions of the toll schedules of the Bridge System.

4. The Commission further covenants that by February 1 of each year it will have caused an audit to be made of its books and accounts relating to the Bridge System for the preceding Fiscal Year. Promptly thereafter reports of each such annual audit, signed by an Accountant, shall be filed with the Commission and the Trustee, and copies of such annual reports shall be mailed by the Commission to the Consulting Engineer. Each such annual audit report shall set forth in respect to the preceding year at least the same matters as are listed in subsection 3 of this Section 718, shall state that the Accountant has examined the significant financial covenants and provisions of the Resolution and, in his opinion, the Commission has complied with such covenants and provisions. In addition such report shall state whether or not Revenues have been sufficient to comply with subsection 2 of Section 714.

5. The Commission further covenants that it will cause any additional reports or audits relating to the Bridge System to be made as required by law, and that, as often as may be requested, it will furnish to the Trustee, the Consulting Engineer and the Traffic Engineer such other information concerning the Bridge System or the operation thereof as any of them may reasonably request.

Section 719. **Progress Reports.** As soon as practicable after the issuance of each Series of Bonds issued pursuant to Section 203, the Commission shall cause the Consulting Engineer to prepare an estimated schedule for the acquisition and construction of the portion of the Bridge System to be financed with the proceeds of such Series of Bonds, and estimates of the amounts which will be required during each six-month period for estimated Costs of the Bridge System relating to such portion. Thereafter, at least once in each six-month period during the construction of such portion of the Bridge System, the Commission shall cause the Consulting Engineer to prepare a progress report as to the acquisition of real property for such portion of the Bridge System, and as to such construction, which shall include comparisons between the actual times elapsed and the actual costs, and their estimates of times required and costs to be incurred therefor which shall have been set forth in any prior progress report prepared for such portion of the Bridge System. Copies of such progress reports shall be filed with the Trustee and the Commission.

Section 720. **Security for Contracts.** 1. The Commission shall require all persons, firms or corporations with whom it may contract for construction in an amount exceeding $10,000 to furnish bonds conditioned upon the satisfactory performance of the work contracted for and upon the payment by each contractor and subcontractor for all labor performed or materials furnished pursuant to such contract, or, in lieu thereof, to deposit with it, to insure completion and performance of the contract and the payment by each contractor and sub-contractor for all labor performed or materials furnished pursuant to such contract, marketable securities satisfactory to the Commission having a market value equal to the amount of such contract.

2. Each contract for construction in an amount exceeding $100,000 shall also provide in substance that the Commission will retain at least 2% of each partial payment thereunder; that after work under the contract has been substantially completed, the Commission may release retained amounts which in the opinion of the Consulting Engineer are in excess of the amount reasonably required to be retained to secure performance of the remaining work thereunder in a manner satisfactory to the Consulting Engineer; and that final payments on the contract will not be made until completion of the work thereunder to the satisfaction of the Consulting Engineer and the acceptance thereof by the Commission.

Section 721. **Tax Matters.** 1. The Commission shall maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code, and in furtherance of such covenant, the Commission shall comply with the provisions of the Tax Certificate.

2. The Commission shall not take any action or fail to take any action which would cause the Tax-Exempt Bonds of a Series to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; or which would cause the Tax-Exempt Bonds of a Series to constitute "private activity bonds" within the meaning of Section 141(a) of the Code; nor shall any part of the proceeds of any Series of Tax-Exempt Bonds or any other funds of the Commission be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Tax-Exempt Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

3. The Commission shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Tax-Exempt Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the Funds established under the Resolution and available therefor.

4. Notwithstanding any other provision of the Resolution to the contrary, so long as necessary in order to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code, the covenants contained in this Section 721 shall survive the payment of the Tax-Exempt Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 1201 of the Resolution.

Section 722. **Rules and Regulations.** The Commission covenants that it will establish and enforce reasonable rules and regulations governing the use of the Bridge System and the operation thereof; that all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Bridge System will be reasonable; that no more persons will be employed by it than are necessary; that it will otherwise maintain and operate the Bridge System in an efficient and economical manner; that it will at all times maintain the Bridge System in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements; and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Bridge System or any portion thereof.

Section 723. **Payment of Lawful Charges.** The Commission covenants that it will pay all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of the Bridge System or any part thereof or any tolls or other Revenues therefrom when the same shall become due, that it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Bridge System or any part thereof, that it will not create or suffer to be created any lien or charge upon the Bridge System or any part thereof or upon the tolls or other Revenues therefrom except the lien and charge of the Bonds secured hereby upon such tolls and Revenues and except as otherwise permitted by the Resolution, and that, from such tolls and Revenues, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within 60 days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Bridge System or any part thereof or the tolls or other Revenues therefrom; provided, however, that nothing in this Section contained shall require the Commission to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 724. **Compliance with Laws.** The Commission covenants that all actions heretofore and hereafter taken by the Commission to acquire and construct the Bridge System, including the making of contracts, have been and will be in full compliance with all pertinent laws, ordinances, rules, regulations and orders applicable to the Commission. In connection with the operation, maintenance, repair and replacement of the Bridge System, the Commission covenants that it shall comply with all applicable ordinances, laws, rules, regulations and orders of the government of the United States of America, the State of New Jersey, the municipalities in which the Bridge System or any part thereof are located, and any requirement of any board of fire underwriters

having jurisdiction or of any insurance company writing insurance on the Bridge System. The Commission further covenants and represents that the Bridge System is in compliance with all applicable zoning, subdivision, building, land use and similar laws and ordinances. The Commission covenants that it shall not take any action which would cause the Bridge System to be in violation of such laws or ordinances.

Section 725. **Competitive Facilities.** The Commission shall not, so far as lies in its power, permit or consent to, and will undertake such reasonable steps as may be necessary to contest, the construction of any new bridge or a material addition to or a reconstruction or renovation of an existing bridge in the Commission's jurisdiction unless, the tolls and other revenues from such competitive facility are pledged to the payment of the Bonds in the same manner in which the Revenues from the Bridge System and, whether or not a toll bridge, unless the Commission obtains from the Consulting Engineer a certificate with respect to such new bridge or material addition to or reconstruction or renovation of an existing bridge to the same effect as the Consulting Engineer's certificate required by paragraph (6) of subsection 1 of Section 202.

Section 726. **Conditions Precedent.** Upon the date of authentication and delivery of any of the Bonds, 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 such Bonds shall exist, have happened and have been performed, and the issuance of such Bonds, together with all other indebtedness of the Commission, shall comply with every requirement and limit prescribed by the Act and the laws applicable thereto of the State of New Jersey.

ARTICLE VIII

REMEDIES OF BONDOWNERS

Section 801. **Events of Default.** 1. If one or more of the following events ("Events of Default") shall happen with respect to any Bond, that is to say:

(a) if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(b) if a default shall occur in the due and punctual payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable;

(c) if a default shall occur in the due and punctual payment of moneys payable to the Trustee under any Debt Service Reserve Fund Credit Facility deposited in the Debt Service Reserve Fund pursuant to Section 507(4);

(d) if a default shall occur in the performance or observance by the Commission of any of the covenants, agreements and conditions contained in Section 714;

(e) if a default shall occur in the performance or observance by the Commission of any other of the covenants, agreements or conditions in the Resolution or in the Bonds, and such default shall continue for a period of 30 days after written notice thereof to the Commission by the Trustee or to the Commission and to the Trustee by the Owners of not less than 10% in principal amount of the Bonds Outstanding;

(f) if the Commission shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or the State of New Jersey;

(g) if any portion of the Bridge System shall be damaged or destroyed to the extent of impairing the Bridge System's efficient operation and adversely affecting the Revenues and shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the same shall be due to the impracticability of such repair, replacement or reconstruction or lack of funds therefor or for any reason), as certified by the Consulting Engineer; or

(h) if an order or decree shall be entered, with the consent or acquiescence of the Commission, appointing a receiver or receivers of the Bridge System, or any part thereof, or of the tolls or other Revenues therefrom; or if such order or decree entered without the consent or acquiescence of the Commission shall not be vacated or discharged or stayed within 90 days after the entry thereof;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Commission), or the Owners of not less than 25% in aggregate principal amount of the Bonds Outstanding (by notice in writing to the Commission and the Trustee), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable. The right of the Trustee or of the Owners of not less than 25% in principal amount of the Bonds to make any such declaration, however, shall be subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the Commission under the Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Commission or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Owners of a majority in principal amount of the Bonds Outstanding, by written notice to the Commission and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction of the Owners of 25% of the aggregate principal amount of the Bonds then Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default and its consequences shall ipso facto be deemed to be annulled, but no such rescission and annulment shall extend to or affect any

subsequent default or impair or exhaust any resulting right or power consequent thereon.

2. Notwithstanding anything in the Resolution to the contrary, so long as County Guaranteed Bonds are the only Bonds Outstanding under the Resolution, the principal of all the Bonds Outstanding, and the interest accrued thereon, may not be declared to be immediately due and payable as provided in subsection 1 of this Section 801 without the prior written consent of the County.

Section 802. **Accounting and Examination of Records After Default.** 1. The Commission covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Commission and all other records relating to the Bridge System shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys, including the engineer or firm of engineers appointed pursuant to Section 803.

2. The Commission covenants that if an Event of Default shall happen and shall not have been remedied, the Commission, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Pledged Property pledged or held under the Resolution for such period as shall be stated in such demand.

Section 803. **Application of Revenues and Other Moneys After Default.** 1. The Commission covenants that if an Event of Default shall happen and shall not have been remedied, the Commission, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (a) forthwith, all moneys, securities and funds then held by the Commission in any Fund under the Resolution and (b) all Revenues upon receipt thereof. Until such Event of Default is remedied, all Funds shall be maintained by the Trustee and shall be subject to the lien created by the Resolution.

2. During the continuance of an Event of Default, the Trustee shall apply such Pledged Property and the income therefrom as follows and in the following order:

(1) to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, including the reasonable expenses of counsel employed by it, and of any engineer or firm of engineers selected by the Trustee pursuant to this Section 803;

(2) to the payment of the amounts required for reasonable and necessary Operating Expenses and for the reasonable renewals, repairs and replacements of the Bridge System necessary to prevent loss of Revenues, as certified to the Trustee by an independent engineer or firm of engineers of recognized standing (who may be an

engineer or firm of engineers retained by the Commission for other purposes) selected by the Trustee. For this purpose the books of record and accounts of the Commission relating to the Bridge System shall at all times be subject to the inspection of such engineer or firm of engineers during the continuance of such Event of Default;

(3) to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows:

(a) unless the principal of all the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) if the principal of all the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

3. If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges,

expenses and liabilities of the Trustee, and all other sums payable by the Commission under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds by or for the account of the Commission, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Commission all moneys, securities, and funds then remaining unexpended in the hands of the Trustee (except moneys, securities, funds deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon the Commission and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such payment over to the Commission by the Trustee nor such restoration of the Commission and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Resolution or impair any right or power consequent thereon.

Section 804. **Proceedings Brought by Trustee.** 1. 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 Owners of not less than 10% in principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under the Resolution 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 Commission as if the Commission 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.

2. All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Owners 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 of 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 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 Bondowners not parties to such direction.

4. Upon commencing any suit at law or in equity or upon commencement of other judicial proceedings by the Trustee to endorse any right under the Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Owners of a majority in principal amount of the Bonds then Outstanding, and furnished with satisfactory security and indemnity, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under the Resolution and to preserve or protect its interests and the interests of the Bondowners.

Section 805. **Restriction on Bondowners' Action.** 1. No Owner of any Bond shall have any right to institute any suit 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 Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least 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 the laws of the State of New Jersey or to institute such action, suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee satisfactory security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners 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 Owners of the Outstanding Bonds, subject only to the provisions of Section 702.

2. Nothing in the Resolution or in the Bonds contained shall affect or impair the obligation of the Commission, which is absolute and unconditional, to pay at the respective dates or maturity and places therein expressed the principal of and interest on the Bonds to the respective Owners thereof, or affect or impair

the right of action, which is also absolute and unconditional, of any Owner to enforce such payment of his Bond.

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

Section 807. **Effect of Waiver and Other Circumstances.** 1. No delay or omission of the Trustee or any Bondowner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or be an acquiescence therein.

2. Prior to any acceleration of maturity of the Bonds under Section 801, the Owners of not less than two-thirds in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Owners 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 or Redemption Price of any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 808. **Notices of Default and Insufficiency of Revenues.** The Trustee shall promptly mail to all Owners of Bonds written notice of the occurrence of any Event of Default of which the Trustee is deemed to have knowledge pursuant to Section 916. If in any Fiscal Year the annual audit report delivered to the Trustee pursuant to Section 718(4) states that the Revenues for the preceding Fiscal Year have been insufficient to comply with the provisions of subsection 2 of Section 714, the Trustee, on or before the 30th day after receipt of such annual audit report, shall mail to all Owners of Bonds written notice of such insufficiency.

Section 809. **Provisions Relating to the County.** Notwithstanding anything contained in this Article VIII to the contrary, for all purposes of this Article VIII, except for the purpose of receiving notice of the occurrence of any Event of Default as provided in Section 808, and for so long as the County has not failed to comply with its payment obligations with respect to any County Guaranteed Bonds, the County shall be deemed to be the sole Owner of all County Guaranteed Bonds.

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 901. **Trustee; Appointment and Acceptance of Duties.** First Fidelity Bank, N.A., New Jersey, Newark, New Jersey is hereby appointed as the Trustee under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing the Certificate of Authentication endorsed upon the Bonds and by executing such certificate upon any Bond the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

Section 902. **Paying Agents; Appointment and Acceptance of Duties.** 1. The Commission 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 having the qualifications set forth in Section 914 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

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

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

Section 903. **Registrar; Appointment and Acceptance of Duties.** 1. The Commission shall appoint a Registrar for each Series of Bonds. Each Registrar shall have the qualifications set forth in Section 915 for a successor Registrar. The Trustee or any Paying Agent may be appointed a Registrar.

2. Each Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Commission and to the Trustee a written acceptance thereof.

Section 904. **Responsibilities of Fiduciaries.** 1. The recitals of fact contained in the Resolution and in the Bonds shall be taken as the statements of the Commission, 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 any representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Commission 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 hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection 2 of this Section, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or misconduct.

2. The Trustee, prior to the occurrence of any Event of Default and after the remedy 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 and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by the Resolution and shall 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 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.

Section 905. **Evidence on Which Fiduciaries May Act.** 1. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including Opinion of Bond Counsel), bond or other paper or document furnished to it pursuant to and conforming to the requirements of the Resolution, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless such Resolution specifically requires other evidence thereof) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Commission, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may deem reasonable.

3. Except as otherwise expressly provided in the Resolution any request, order, notice or other direction required or permitted to be furnished by the Commission to any Fiduciary shall be sufficiently executed if signed by an Authorized Officer of the Commission.

Section 906. **Compensation.** Unless otherwise determined by contract between the Commission and a Fiduciary, the Commission shall pay to each Fiduciary from time to time reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Resolution. Subject to the provisions of Section 904, the Commission further agrees to indemnify and save each Fiduciary harmless against any loss, liability, cost or expense, including counsel fees, which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or misconduct. Each Fiduciary shall have a lien for the obligations of the Commission under this Section 906, including its obligation to indemnify, which lien shall be prior to the lien of the Bondowners, on any and all moneys and securities at any time held by it under the Resolution.

Section 907. **Certain Permitted Acts.** Any Fiduciary 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 depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners 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 Owners of a majority in principal amount of the Bonds then Outstanding.

Section 908. **Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by the Resolution by giving not less than 60 days written notice to the Commission, and mailing notice thereof to the Owners of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless (i) previously a successor shall have been appointed by the Commission or the Bondowners as provided in Section 910, in which event such resignation shall take effect immediately on the appointment of such successor, or (ii) a successor shall not have been appointed by the Commission or the Bondowners as provided in Section 910, in which event such resignation shall not take effect until a successor is appointed and has accepted the duties of the Trustee.

Section 909. **Removal of Trustee.** The Trustee may be removed with or without cause at any time by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding, in all cases, any Bonds held by or for the account of the Commission, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Commission. Copies of each such instrument shall be delivered by the Commission to each Fiduciary. The Trustee may also be removed with cause by

the Commission as evidenced by a written instrument signed by the Commission and delivered to the Trustee; provided, however, that the Trustee may not be so removed upon the occurrence of an Event of Default or while such Event of Default shall be continuing.

Section 910. **Appointment of Successor Trustee.** 1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding, in all cases, any Bonds held by or for the account of the Commission, by an instrument or concurrent instrument in writing signed and acknowledged by such Bondowners or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Commission and the predecessor Trustee. Pending such appointment, the Commission by a duly executed written instrument signed by an Authorized Officer of the Commission shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondowners. After such appointment of a successor Trustee, the Commission shall mail notice of any such appointment made by it or the Bondowners to the Owners of all Bonds then Outstanding. Any successor Trustee appointed by the Commission shall, immediately and without further act, be superseded by a Trustee appointed by the Bondowners.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Commission written notice of resignation as provided in Section 908 or after a vacancy in the office of the Trustee shall have occurred, the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, doing business and having its principal office in the State of New Jersey, and having capital stock and surplus aggregating at least $50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

Section 911. **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 Commission, 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; but the predecessor Trustee shall nevertheless, on the written request of the Commission, or of the successor Trustee, execute, acknowledge and deliver such instruments 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 its right, title and interest in and to any property 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 from the Commission be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Commission. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 912. **Merger or Consolidation.** Any entity into which any Fiduciary may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank or trust company organized under the laws of a 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.

Section 913. **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 shall authenticate such Bonds in its own name.

Section 914. **Resignation or Removal of Paying Agent and Appointment of Successor.** 1. Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by the Resolution by giving at least 60 days written notice to the Commission and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by an Authorized Officer of the Commission and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the Commission with the approval of the Trustee and shall be a bank or trust company organized under the laws of a state of the United States or a national banking association, having capital stock and

surplus aggregating at least $20,000,000, 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.

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

Section 915. **Resignation or Removal of Registrar and Appointment of Successor.** 1. Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by the Resolution by giving at least 60 days written notice to the Commission and the other Fiduciaries. Any Registrar may be removed at any time by an instrument signed by an Authorized Officer of the Commission and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Commission with the approval of the Trustee and shall be a bank, trust company or national banking association doing business and having an office in the State of New Jersey, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

2. In the event of the resignation or removal of any Registrar, such Registrar shall deliver all books, records and other property of the Commission 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 Registrar, the Trustee shall act as such Registrar.

Section 916. **Trustee Not Deemed to Have Notice of Default.** The Trustee shall not be deemed to have notice of any default hereunder except a default under clauses (a) or (b) of subsection 1 of Section 801 or the failure of the Commission to file with the Trustee any document required by the Resolution unless any officer in its corporate trust office shall have actual knowledge thereof or the Trustee shall be specifically notified in writing of such default by the Commission or by the Owners of not less than 10% in principal amount of the Bonds then Outstanding; and all notices or other instruments required by such Resolution to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee.

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

Section 1001. **Supplemental Resolutions Effective Upon Filing with the Trustee.** A Supplemental Resolution for any one or more of the following purposes shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Commission:

(1) 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;

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

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

(4) 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;

(5) Notwithstanding any other provisions of the Resolution, to authorize Bonds of a Series having terms and provisions different than the terms and provisions theretofore provided in the Resolution, including but not limited to provisions relating to the timing of the payment of interest, maturity amounts and valuation as of a given time, and authorizing the form of bond for such Series of Bonds and otherwise to provide amendments or modifications of provisions of the Resolution relative to such Bonds; provided that neither the authorization and issuance of such Series of Bonds nor any such amendments

or modifications shall in any manner impair or adversely affect the rights or security of the Owners of Bonds then Outstanding under the Resolution;

(6) 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, credit facilities or other agreements; and

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

Section 1002. **Supplemental Resolutions Effective Upon Consent of Trustee.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Commission Representative, and (ii) the filing with the Commission 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.

Section 1003. **Supplemental Resolutions Effective With Consent of County and Bondowners.** At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the County and the Bondowners in accordance with and subject to the provisions of Article XI, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Commission 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.

Section 1004. **General Provisions.** 1. 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 Commission 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 Commission to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1001 and 1002 may be adopted by the Commission without the consent of the County or any of the Bondowners, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an Opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Commission and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by 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 Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

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

ARTICLE XI

AMENDMENTS

Section 1101. **Mailing.** Any provision in this Article for the mailing of a notice or other paper to Bondowners shall be fully complied with if it is mailed, postage prepaid, or delivered only (a) to each Owner of Bonds then Outstanding at his address, if any, appearing upon the registration books of the Commission kept at the principal office of the Registrar and (b) to the Trustee.

Section 1102. **Powers of Amendment.** Any modification or amendment of the Resolution and of the rights and obligations of the Commission and of the Owners of the Bonds may be made by Supplemental Resolution of the Commission with (A) so long as the County has not failed to comply with its payment obligations with respect to any County Guaranteed Bonds, the written consent of the County, and (B) the written consent, given as provided in Section 1103, of the Owners (i) of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority 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 Series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption (including Sinking Fund Installments) or maturity of the principal of any Outstanding Bonds, 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 Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners 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 consent thereto. For the purposes of this Section, 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 Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not the rights of the Owners of Bonds of any particular Series or maturity would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the Commission and all Owners of the Bonds.

Section 1103. **Consent of Bondowners.** The Commission 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. Upon the adoption of such Supplemental Resolution, a copy thereof, certified by an Authorized Officer of the Commission, shall be delivered to and held by the Trustee for the inspection of the Bondowners whose consent is required pursuant to Section 1102. A copy of such Supplemental Resolution (or summary thereof or reference thereto in form approved by the Trustee) together with a request to such Bondowners for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Commission to such Bondowners, but failure to mail such copy and request shall not affect the validity of such Supplemental Resolution when consented to as in this Section provided. Such Supplemental Resolution shall not be effective unless and until (a) there shall have been filed with the Trustee (i) to the extent required by Section 1102, the written consent of the County, (ii) the written consents of the Owners of the required principal amount of Outstanding Bonds specified in Section 1102, and (iii) an Opinion of Bond Counsel stating that such Supplemental Resolution has been duly adopted by the Commission in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution and, when effective, will be valid and binding upon the Commission, and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (b) a notice shall have been given as hereinafter in this Section 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 proof as shall be permitted by Section 1301. A certificate or certificates of the Trustee filed with the Commission stating that it has examined such proof and that such proof is sufficient under the provisions of Section 1301 shall be conclusive that consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor whether or not such subsequent Owner has notice thereof; provided, however, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within 30 days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and file with the Commission and the Trustee a written statement that the consents of the Owners of the required principal amount of Outstanding Bonds have been filed with it. Such written statement shall be conclusive that such

consents have been so filed. Promptly thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a resolution adopted by the Commission on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required principal amount of Outstanding Bonds and will be effective as provided in this Section 1103, shall be given by mail to Bondowners (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in this Section 1103). The Trustee shall file with the Commission proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section to be filed by or with the Trustee shall be proof of the matters therein stated.

Section 1104. **Modifications by Unanimous Action.** The terms and provisions of the Resolution and the rights and obligations of the Commission and of the Owners of the Bonds thereunder may be modified or amended in any respect by the adoption and filing by the Commission of a Supplemental Resolution effecting such modification or amendment and (i) so long as the County has not failed to comply with its payment obligations with respect to any County Guaranteed Bonds, the written consent of the County, and (ii) the consents of the Owners of all the Bonds affected thereby then Outstanding, each such consent to be given as provided in Section 1103 except that no notice to Bondowners shall be required; provided that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Section 1105. **Exclusion of Bonds.** Bonds owned or held by or for the account of the Commission shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Commission shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Commission shall furnish the Trustee a certificate of an Authorized Officer of the Commission, upon which the Trustee may rely, identifying all Bonds so to be excluded.

Section 1106. **Notation on Bonds.** Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article provided may, and, if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Commission and the Trustee as to such action, and upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond to the Trustee for such purpose or upon any transfer or exchange of any Bond Outstanding on such date, suitable notation shall be made on such Bond or upon any Bond issued upon such transfer or exchange by the Trustee as to any

such action. If the Commission or the Trustee shall so determine, new Bonds so modified which, in the opinion of the Trustee and the Commission, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Bondowner, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds to the Trustee.

ARTICLE XII

DEFEASANCE

Section 1201. **Defeasance.** 1. If the Commission shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Bonds then Outstanding the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in 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 Commission to the Bondowners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall, upon request of the Commission, execute and deliver to the Commission all such instruments as may be desirable to evidence such release and discharge and the Trustee and all other Fiduciaries shall pay over or deliver to the Commission all monies or securities held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption. If the Commission shall pay or cause to be paid, or there shall otherwise be paid, to the Owners 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 in such Bonds 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 Commission to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Bonds or interest installments on Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agent (through deposit therewith by the Commission of moneys or Defeasance Obligations 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 subsections 3 through 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 such Bonds are to be redeemed on any date prior to their maturity, the Commission shall have given to the Trustee irrevocable instructions, accepted in writing by the Trustee, to mail in the manner required in Article IV notice of the redemption of such Bonds on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations (including any Defeasance Obligations 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, of and interest due and to become due on such Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Commission shall have given the Trustee in form satisfactory to the Trustee instructions to mail a notice to the Owners of such Bonds that the deposit required by (b) above has been made and that such Bonds are deemed to have been paid in accordance with this Section 1201 and setting forth the 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, Redemption Price, if applicable, of and interest due and to become due on such Bonds (other than Bonds which have been purchased or otherwise acquired by the Commission prior to the giving 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 retirement of such Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided herein. The Trustee shall, if directed by the Commission (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 Obligations so deposited 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 Obligations remaining on deposit with the Trustee after the purchase or 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 to which such moneys and Defeasance Obligations 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 Commission 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 Commission 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 Commission to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1201 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay 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 Obligations 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) of this subsection 2 of this Section 1201, the Trustee shall, at the written direction of an Authorized Officer of the Commission, pay the amount of such excess to the Commission free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under the Resolution. Except as otherwise provided in this subsection 2 of Section 1201 and in subsections 3 through 7 of this Section 1201, neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Defeasance Obligations 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 such Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid to the Commission as received by the Trustee, free and clear of any trust, lien or pledge securing such 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, at the written direction of an Authorized Officer of the Commission, in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, of and interest to become due on such Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest, if any, earned from such reinvestments shall, at the written direction of an Authorized Officer of the Commission, be paid over to the Commission, as received by the

Trustee, free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under the Resolution.

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 Obligations 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 the Maximum Interest Rate for such Variable Interest Rate Bonds; 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 Obligations 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, at the written direction of the Commission authorizing any necessary liquidation of Defeasance Obligations and directing the manner of payment to the Commission, pay the amount of such excess to the Commission free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under the Resolution.

4. Defeasance Obligations described in clauses (a) or (c) of the definition of "Defeasance Obligations" contained in Section 101 which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates may be included in the Defeasance Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of this Section 1201 only if the determination as to whether the moneys and Defeasance Obligations to be deposited with the Trustee in order to satisfy the requirements of such clause 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 given by the Trustee in accordance with subsection 2 of this Section 1201, the principal or Redemption Price, if applicable, of and interest on the Bonds which will be deemed to have been paid as provided in subsection 2 of this Section 1201 is made both (i) on the assumption that such Defeasance Obligations described in clauses (a) or (c) of the definition of "Defeasance Obligations" contained in Section 101 will not be redeemed at the option of the issuer thereof prior to the maturity date thereof and (ii) on the assumption that such Defeasance Obligations will be redeemed by the issuer thereof at its option on each date or dates on which such option can be exercised, that as of such date or dates interest ceased to accrue on such Defeasance

Obligations 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 this Section 1201 Defeasance Obligations described in clauses (a) or (c) of the definition of "Defeasance Obligations" contained in Section 101 which are subject to redemption prior to maturity at the option of issuer thereof on a specified date or dates are included in the Defeasance Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of this Section 1201 and any such Defeasance Obligations are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Commission shall reinvest the proceeds of such redemption in Defeasance Obligations, provided that the aggregate of the moneys and Defeasance Obligations 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 Commission in accordance with subsection 6 of this Section 1201, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of this Section 1201.

6. In the event that after compliance with the provisions of subsection 4 of this Section 1201 Defeasance Obligations described in clauses (a) or (c) of the definition of "Defeasance Obligations" contained in Section 101 which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates are included in the Defeasance Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of this Section 1201, then any notice of redemption to be published by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Commission, 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 Commission, 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 in the event that all or any portion of such Defeasance Obligations described in clauses (a) or (c) of the definition of "Defeasance Obligations" contained in Section 101 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Defeasance Obligations on deposit with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 5 of this Section 1201 pursuant to clause (b) of subsection 2 of this Section 1201 would be sufficient

to pay when due the principal or Redemption Price, if applicable, of and interest on all Bonds deemed to have been paid in accordance with subsection 2 of this Section 1201 which have not as yet been paid.

7. Option Bonds shall be deemed to have been paid in accordance with the second sentence of subsection 2 of this Section 1201 only if, in addition to satisfying the requirements of clauses (a) and (c) of such sentence, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal or Redemption Price, if applicable, of and interest on such Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided, however, that if, at the time the deposit of such moneys is made with the Trustee pursuant to subsection 2 of this Section 1201, the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection 7 of Section 1201. If any portion of the moneys deposited with the Trustee for the payment of the principal or Redemption Price, if applicable, of and interest on Option Bonds is not required for such purposes, the Trustee shall, at the written direction of the Commission authorizing any necessary liquidation of Defeasance Obligations and directing the manner of payment to the Commission, pay the amount of such excess to the Commission free and clear of any trust, lien, security interest, pledge or assignment securing the Bonds or otherwise existing under the Resolution.

8. 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 five 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 five years after the date of deposit of such moneys if deposited with the Fiduciary after the date when such Bonds became due and payable, shall, at the written request of the Commission, be repaid by the Fiduciary to the Commission, as its absolute property free from any trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Commission for the payment of such Bonds; provided, however, that before being required to make any such payment to the Commission, the Fiduciary shall, at the expense of the Commission, cause to be mailed to the Owners of all Bonds then Outstanding, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing of such notice, the balance of such moneys then unclaimed will be returned to the Commission.

9. No investment, reinvestment, liquidation or transfer of moneys or Defeasance Obligations on deposit with the Trustee permitted by this Section 1201 may be effected unless accompanied by (a) an Opinion of Bond Counsel to the effect that such investment, reinvestment, liquidation or transfer shall not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and (b) an Accountant's opinion to the effect that such investment, reinvestment or transfer shall not adversely affect the sufficiency of the moneys and Defeasance Obligations held by the Trustee to pay when due the principal or Redemption Price, if applicable, of and interest due on such Bonds.

Section 1202. **Obligations in Favor of Fiduciaries Survive Defeasance.** The obligations of the Commission and the liens in favor of Fiduciaries created by Section 906 of the Resolution shall survive the payment of all of the Bonds and the discharge of all of the covenants, agreements and obligations of the Commission under the terms of the Resolution as provided in Section 1201.

ARTICLE XIII

MISCELLANEOUS

Section 1301. **Evidence of Signatures of Bondowners and Ownership of Bonds.** 1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by Bondowners may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondowners 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 such Resolution (except as otherwise 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.

2. The fact and date of the execution by any Bondowner or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank, national banking association or trust company or by the certificate of any notary public or other officer authorized to take acknowledgement of deeds, that the person signing such request or other instruments acknowledged to him the execution thereof, or by an affidavit of witness of such execution, duly sworn to before a notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

3. The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry book.

4. Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Commission or any Fiduciary in accordance therewith.

Section 1302. **Moneys Held for Particular Bonds.** The amounts held by any Fiduciary for the payment of 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 Owners of the Bonds entitled thereto.

Section 1303. **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 Commission, any other Fiduciary, and any Bondowner and their agents and their representatives, any of whom may make copies thereof.

Section 1304. **Cancellation and Destruction of Bonds.** All Bonds paid or redeemed, either at or before maturity shall be delivered to the Trustee when such payment or redemption is made and such Bonds together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its officers authorized thereunto describing the Bonds so destroyed, and one executed certificate shall be filed with the Commission and the other retained by the Trustee.

Section 1305. **Parties Interested Herein.** Nothing in the Resolution expressed or implied is intended to confer or shall confer or shall be construed to confer upon, or to give to, any person or corporation, other than the Commission, the Fiduciaries and the Owners of the Bonds, any right, remedy or claim under or by reason of such Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in such Resolution contained by and on behalf of the Commission shall be for the sole and exclusive benefit of the Commission, the Fiduciaries, and the Owners of the Bonds.

Section 1306. **No Recourse on the Bonds.** No recourse shall be had for the payment of the principal of, Redemption Price, if applicable, or interest on the Bonds or for any claim based thereon or on the Resolution against any employee, member or officer of the Commission or any person executing the Bonds.

Section 1307. **Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds.** 1. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in Section 801 hereof or (iii) computing the principal amount of Bonds held by the Owner of a Capital Appreciation Bond in giving to the Commission or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount.

2. For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity, (ii) receiving payment of a Deferred Income Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in Section 801 hereof or (iii) computing the principal amount of Bonds held by the Owner of a Deferred Income Bond in giving to the Commission or the Trustee

any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond shall be deemed to be its principal amount.

Section 1308. **Successors and Assigns.** Whenever in the Resolution the Commission is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in the Resolution contained by or on behalf of the Commission shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

Section 1309. **Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in the Resolution on the part of the Commission 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.

Section 1310. **Headings.** Any headings preceding the texts of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of the Resolution, nor shall they affect its meaning, construction or effect.

Section 1311. **Conflict.** All resolutions or parts of resolutions or other proceedings of the Commission in conflict herewith shall be and the same are repealed insofar as such conflict exits.

Section 1312. **Rights of the County.** Notwithstanding anything contained in the Resolution to the contrary, if there are no County Guaranteed Bonds Outstanding under the Resolution and no amounts are due and owing to the County pursuant to any agreement between the Commission and the County, then all rights of the County under the Resolution shall be void and terminated and the Commission and the Trustee shall not be required to obtain any consent or vote of, or give any notice to, the County which is otherwise required by the terms and provisions of the Resolution.

ARTICLE XIV

BOND FORMS AND EFFECTIVE DATE

Section 1401. **Forms 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 shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by the Resolution:

No. R- $____________

UNITED STATES OF AMERICA
STATE OF NEW JERSEY

BURLINGTON COUNTY BRIDGE COMMISSION

BRIDGE SYSTEM REVENUE BONDS, SERIES _____

Interest Rate	Maturity Date	Dated Date	CUSIP
%			

Registered Owner:

Principal Sum: Dollars

BURLINGTON COUNTY BRIDGE COMMISSION (the "Commission"), a public body corporate and politic, created and existing under and by virtue of the laws of the State of New Jersey, including the provisions of Chapter 17 of the Laws of 1934 of the State of New Jersey (N.J.S.A. 27:19-26, et seq.), and the acts amendatory or supplemental thereto (the "Act"), 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 First Fidelity Bank, N.A., New Jersey, Newark, New Jersey, as Trustee and Paying Agent (such bank and any successors thereto being herein called the "Trustee" or 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 ________________ and ________________ in each year, commencing ________________, until the Commission's obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth day (or if such day shall not be a Business Day, the preceding Business Day) next preceding such interest payment date (the "Record Date") on the books of the Commission maintained by the Registrar; provided, however, that 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 on or prior to the tenth day preceding the applicable Record Date payment of the interest due on such Series ____ Bonds shall be made by wire transfer of immediately available funds on any interest 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 Commission designated "Bridge System Revenue Bonds, Series __ __" (herein called the "Series ______ Bonds"), in the aggregate principal amount of $______________, issued under and in compliance with the Act, and under and pursuant to a Resolution adopted by the Commission on ________, 1993 entitled "Bridge System Revenue Bond Resolution" (said Resolution herein called the "Resolution"). Capitalized terms used in this bond which are not otherwise defined herein shall have the meaning given to such terms in the Resolution.

As provided in the Resolution, the Series _____ Bonds, and all other bonds issued under the Resolution on a parity with the Series ____ Bonds (herein collectively called the "Bonds") are special obligations of the Commission 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 Pledged Property, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Pledged Property under the Resolution includes the Revenues and Funds, including Investment Securities held in any Fund under the Resolution, together with all proceeds and revenues of the foregoing and all of the Commission's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Commission and at the above mentioned office of the Trustee, and reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this Bond shall cease to be entitled to any lien, benefit or security under the Resolution and for the other terms and provisions thereof. All covenants, agreements and obligations of the Commission 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 as provided in the Resolution.

As provided in the Resolution, Bonds may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

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 Commission, with the written consent of the owners of at least a majority in principal amount of the Bonds Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several series of Bonds then outstanding are affected thereby, with such consent of at least a majority 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 under the Resolution, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption (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 owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners 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 Commission kept for that purpose at the above-mentioned office of the Trustee, as 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 Registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Commission, the Trustee and any Paying Agent may deem and treat the Registered Owner of this Bond 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 prior to maturity, upon mailed notice as hereinafter provided, (i) by operation of the Debt Service Fund established under the Resolution to satisfy sinking fund installments, on any interest payment date on and after ____________, at the principal amount

thereof together with accrued interest to the redemption date, and (ii) otherwise, at the option of the Commission, in whole or in part as directed by the Commission on any date on or after __________ 1, ________, at the respective redemption prices (expressed as percentages of the principal amount of the bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

Redemption <u>Dates</u>	Redemption <u>Prices</u>

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 30 nor more than 60 days prior to the redemption date, to the 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 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 principal, premium, if any, and interest on the Series ______ Bonds are payable solely from the Pledged Property (as defined in the Resolution) and neither the State of New Jersey nor any political subdivision thereof, other than the Commission, is obligated to pay the principal, premium, if any, or interest on this Bond and the series of Bonds of which it is one and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on this Bond or the series of Bonds of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the series of Bonds of which this is one, together with all other indebtedness of the Commission, 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, BURLINGTON COUNTY BRIDGE COMMISSION, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman, and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary, all as of the Dated Date hereof.

BURLINGTON COUNTY BRIDGE COMMISSION

By ______________________________
Chairman

[SEAL]

Attest:

____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds delivered pursuant to the within mentioned Resolution.

FIRST FIDELITY BANK, N.A., New Jersey, as Trustee

By ______________________________
Authorized Representative

[TO BE PRINTED ON REVERSE SIDE OF ALL BONDS]

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned 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:________________

In the presence of:

______________________ ______________________

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

Section 1402. **Effective Date.** This Resolution shall take effect immediately upon its adoption in accordance with law.

EXHIBIT B

BURLINGTON COUNTY BRIDGE COMMISSION

FIRST SUPPLEMENTAL
BRIDGE SYSTEM REVENUE BOND RESOLUTION

Relating to

$32,795,000
County Guaranteed Bridge System Revenue Bonds, Series 1993

Adopted June 11, 1993

BURLINGTON COUNTY BRIDGE COMMISSION
FIRST SUPPLEMENTAL BRIDGE SYSTEM
REVENUE BOND RESOLUTION

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ARTICLE V

RESOLUTION TO REMAIN IN EFFECT; EFFECTIVE DATE

FIRST SUPPLEMENTAL
BRIDGE SYSTEM REVENUE BOND RESOLUTION

NOW, THEREFORE, BE IT RESOLVED by the Burlington County Bridge Commission as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101 Supplemental Resolution. This resolution is supplemental to, and is adopted in accordance with Article II and Article X of, a resolution adopted by the Commission on April 27, 1993, entitled "Bridge System Revenue Bond Resolution" (the "Resolution").

102 Definitions. 1. Except as otherwise provided in this First Supplemental Resolution, all terms which are defined in Section 101 of the Resolution shall have the same meanings, respectively, in this First Supplemental Resolution as such terms are given in said Section 101 of the Resolution.

2. In this First Supplemental Resolution:

Bond Purchase Contract means the Bond Purchase Contract dated June 11, 1993 entered into between the Commission and the Underwriters relating to the purchase by the Underwriters of the Series 1993 Bonds.

County Guaranty means the guaranty of the County unconditionally guaranteeing the punctual payment of the principal of and interest on the Series 1993 Bonds, as approved by the Board of Chosen Freeholders of the County pursuant to the County Guaranty Resolution, as the same may be amended from time to time.

County Guaranty Resolution means the resolution of the Board of Chosen Freeholders of the County authorizing the County Guaranty as finally adopted on April 28, 1993.

First Supplemental Resolution means this First Supplemental Bridge System Revenue Bond Resolution.

Official Statement means the Official Statement of the Commission relating to the Series 1993 Bonds, dated June 11, 1993.

Preliminary Official Statement means the Preliminary Official Statement of the Commission relating to the Series 1993 Bonds, dated June 2, 1993.

Security Agreement means the Reimbursement and Security Agreement between the Commission and the County dated as of June 1, 1993.

Series 1993 Bonds means the Commission's County Guaranteed Bridge System Revenue Bonds, Series 1993, authorized by Article II of this First Supplemental Resolution.

Underwriters means Cypress Securities, Inc. and Smith Barney, Harris Upham & Co.

103 Authority for this First Supplemental Resolution. This First Supplemental Resolution is adopted (i) pursuant to the provisions of the Act, and (ii) in accordance with Article II and Article X of the Resolution.

ARTICLE II

DETAILS OF THE SERIES 1993 BONDS

201 Series 1993 Bonds. 1. There is hereby authorized an issue of Bonds under the Resolution which shall be designated and shall be distinguished from the Bonds of all other Series by the title, "County Guaranteed Bridge System Revenue Bonds, Series 1993" and which shall be in the aggregate principal amount of $32,795,000.

2. The Series 1993 Bonds shall be issued for the purposes of (i) paying the Cost of the Bridge System, (ii) making a deposit into the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Requirement, and (iii) paying the costs of authorization, issuance, sale and delivery of the Series 1993 Bonds.

3. The Series 1993 Bonds shall be dated June 1, 1993, shall mature on October 1 in each of the years and in the principal amounts, and shall bear interest from their date, payable on April 1 and October 1 in each year, commencing October 1, 1993, at the rates per annum, as follows:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
1996	$ 1,200,000	3.75%	2002	$ 1,550,000	4.85%
1997	1,245,000	4.00	2003	1,625,000	4.95
1998	1,295,000	4.25	2004	1,705,000	5.05
1999	1,350,000	4.45	2005	1,790,000	5.15
2000	1,415,000	4.60	2006	1,880,000	5.20
2001	1,475,000	4.75	2013	16,265,000	5.30

4. The Series 1993 Bonds shall initially be issued as Book Entry Bonds and The Depository Trust Company, New York, New York, shall be the Securities Depository for such Series 1993 Bonds. First Fidelity Bank, National Association, New Jersey, Newark, New Jersey, is hereby appointed Registrar and Paying Agent for the Series 1993 Bonds.

5. For so long as the Series 1993 Bonds are Book Entry Bonds, the principal and Redemption Price of and interest on the Series 1993 Bonds shall be payable in the manner provided in any agreement between the Commission and the Securities Depository for the Series 1993 Bonds. If the Series 1993 Bonds are no longer Book Entry Bonds, the principal and Redemption Price of the Series 1993 Bonds shall be payable at the principal corporate trust office of First Fidelity Bank, National Association, New Jersey, Newark, New Jersey, as Paying Agent. If the Series 1993 Bonds are no longer Book Entry Bonds, interest on the Series 1993 Bonds shall be

payable by check or draft mailed by the Trustee to the Owners thereof as of the Record Date at the address of such Owners appearing on the registration books of the Commission maintained by the Registrar. Upon the written request of an Owner of at least $1,000,000 in aggregate principal amount of Outstanding Series 1993 Bonds received by the Trustee on or prior to the tenth day preceding the Record Date, payment of the principal or Redemption Price of and interest on such Series 1993 Bonds, as applicable, shall be made by wire transfer of immediately available funds by the Trustee on the interest payment date for the Series 1993 Bonds to an account designated by such Owner in such request.

6. The Series 1993 Bonds shall be issued in registered form in the denomination of $5,000 or any integral multiple thereof and shall be numbered from one upward, preceded by the letter "R" prefixed to the number.

7. The Series 1993 Bonds maturing on or before October 1, 2003 are not subject to redemption at the option of the Commission prior to maturity. The Series 1993 Bonds maturing on October 1, 2013, shall be subject to redemption prior to maturity to satisfy the Sinking Fund Installments for such Series 1993 Bonds established in subsection 8 of this Section 203 at a Redemption Price equal to the principal amount thereof plus interest accrued to the redemption date. The Series 1993 Bonds maturing on or after October 1, 2004 are subject to redemption prior to maturity, at the option of the Commission, in whole or in part (and if in part, in such order of maturity as the Commission shall select) on any date on or after October 1, 2003, at the respective Redemption Prices, expressed as a percentage of the principal amount of the bonds or portions thereof to be redeemed, set forth below, in each case together with interest accrued thereon to the date fixed for redemption:

Period	Redemption Prices
October 1, 2003 through September 30, 2004	101%
October 1, 2004 and thereafter	100

8. (A) Sinking Fund Installments are hereby established for the Series 1993 Bonds maturing October 1, 2013. Such Sinking Fund Installments shall become due on October 1 in each of the years set forth in the following table in the respective principal amounts set forth opposite such dates in said table:

Year	Principal Amount	Year	Principal Amount
2007	$1,980,000	2011	$2,435,000
2008	2,085,000	2012	2,560,000
2009	2,195,000	2013 (maturity)	2,700,000
2010	2,310,000		

9. The proceeds, including accrued interest, of the Series 1993 Bonds shall be applied simultaneously with the initial issuance and delivery of the Series 1993 Bonds as follows:

(A) There shall be deposited in the Debt Service Fund, an amount equal to the interest accrued on the Series 1993 Bonds to the date of initial issuance and delivery of the Series 1993 Bonds;

(B) There shall be deposited into the Debt Service Reserve Fund the amount necessary so that the amount on deposit in the Debt Service Reserve Fund on the date of initial issuance and delivery of the Series 1993 Bonds will equal the Debt Service Reserve Requirement; and

(C) The balance of the proceeds of the Series 1993 Bonds shall be deposited in the Construction Fund.

202 Provisions Relating To the County Guaranty. 1. So long as the Series 1993 Bonds are Outstanding, the payment of principal of and interest on the Series 1993 Bonds shall be unconditionally and irrevocably guaranteed by the County in accordance with the County Guaranty. The County Guaranty shall be printed on the Series 1993 Bonds and shall be duly executed by the manual or facsimile signature of an authorized officer of the Board of Chosen Freeholders.

2. The Commission hereby assigns its right to receive any payments which are to be made by the County pursuant to the terms of the County Guaranty to the Trustee. Upon receipt by the Trustee of any monies by the County pursuant to the terms of the County Guaranty, the Trustee shall deposit such monies in a separate account which shall be established in the Debt Service Fund and applied to the payment of principal of and interest on the Series 1993 Bonds.

3. In addition to the documents required to be delivered to the Trustee pursuant to Section 202 of the Resolution, there shall also be delivered to the Trustee:

(1) A certified copy of the County Guaranty Resolution; and

(2) An opinion of the counsel to the County to the effect that (i) the County has the right and power to adopt the County Guaranty Resolution and the County Guaranty Resolution has been duly and lawfully adopted by the County and is in full force and effect and is valid and binding upon the County in accordance with its terms, and no other authorization for the County Guaranty is required; (ii) any payments which are required to be made

by the County pursuant to the provisions of the County Guaranty constitute valid and binding obligations of the County and the County has the power and is obligated to levy <u>ad valorem</u> taxes upon all taxable real property in the County without limitation as to rate or amount in order to raise funds for the purpose of making any payments which are required to be made under the terms of the County Guaranty if other funds are not otherwise available; (iii) the Series 1993 Bonds constitute obligations which are entitled to the benefits of the County Guaranty and pursuant to the terms of the County Guaranty, the County must pay amounts which are sufficient to pay the principal of and interest on the Series 1993 Bonds if such principal and/or interest is not paid by the Commission or from certain available reserves under the Resolution; and (iv) the County has the right and power to enter into the Security Agreement which has been duly and lawfully authorized and executed by the County and is valid and binding upon the County enforceable in accordance with its terms and no other authorization for the Security Agreement is required; <u>provided, however</u>, that such opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the 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.

203 Form of Series 1993 Bonds and Trustee's Certificate of Authentication. Subject to the provisions of the Resolution, the form of the Series 1993 Bonds and the Trustee's certificate of authentication shall be of substantially the following tenor:

No. R- $__________

UNITED STATES OF AMERICA
STATE OF NEW JERSEY

COUNTY OF BURLINGTON

BURLINGTON COUNTY BRIDGE COMMISSION

COUNTY GUARANTEED BRIDGE SYSTEM REVENUE BONDS, SERIES 1993

Interest Rate	Maturity Date	Dated Date	CUSIP
%			

Registered Owner:

Principal Sum: Dollars

BURLINGTON COUNTY BRIDGE COMMISSION (the "Commission"), a public body corporate and politic, created and existing under and by virtue of the laws of the State of New Jersey, including the provisions of Chapter 17 of the Laws of 1934 of the State of New Jersey (<u>N.J.S.A.</u> 27:19-26, <u>et seq.</u>), and the acts amendatory or supplemental thereto (the "Act"), 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 First Fidelity Bank, National Association, Newark, New Jersey, as Trustee and Paying Agent (such bank and any successors thereto being herein called the "Trustee" or 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 April 1 and October 1 in each year, commencing October 1, 1993, until the Commission's obligation with respect to the payment of such Principal Sum shall be discharged, to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth day (or if such day shall not be a Business Day, the preceding Business Day) next preceding such interest payment date (the "Record Date") on the books of the Commission maintained by the Registrar; provided, however, that upon the written request of any registered owner of at least $1,000,000 in aggregate principal amount of Series 1993 Bonds, as such term is hereinafter defined, received by the Trustee on or prior to the tenth day preceding the applicable Record Date payment of the interest due on such Series 1993 Bonds shall be made by wire transfer of immediately available funds on any interest 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 Commission designated "County Guaranteed Bridge System Revenue Bonds, Series 1993" (herein called the "Series 1993 Bonds"), in the aggregate principal amount of $32,795,000, issued under and in compliance with the Act, and under and pursuant to a Resolution adopted by the Commission on April 27, 1993, as amended and supplemented, entitled "Bridge System Revenue Bond Resolution" (said Resolution herein called the "Resolution"). Capitalized terms used in this bond which are not otherwise defined herein shall have the meaning given to such terms in the Resolution.

As provided in the Resolution, the Series 1993 Bonds, and all other bonds issued under the Resolution on a parity with the Series 1993 Bonds (herein collectively called the "Bonds") are special obligations of the Commission 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 Pledged Property, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Pledged Property under the Resolution includes the Construction Fund, the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, and the Reserve Maintenance Fund, including Investment Securities held in any Fund under the Resolution, together with all proceeds and revenues of the foregoing and all of the Commission's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Commission and at the above mentioned office of the Trustee, and reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this Bond shall cease to be entitled to any lien, benefit or security under the Resolution and for the other terms and provisions thereof. All covenants, agreements and obligations of the Commission 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 as provided in the Resolution.

As provided in the Resolution, Bonds may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of

Bonds which may be issued under the Resolution is not limited, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

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 Commission, with the written consent of the owners of at least a majority in principal amount of the Bonds Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several series of Bonds then outstanding are affected thereby, with such consent of at least a majority 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 under the Resolution, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption (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 owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners 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 Commission kept for that purpose at the above-mentioned office of the Trustee, as 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 Registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Commission, the Trustee and any Paying Agent may deem and treat the Registered Owner of this Bond 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 1993 Bonds maturing on and after October 1, 2004 are subject to redemption prior to maturity, upon mailed notice as hereinafter provided, (i) by operation of the Debt

Service Fund established under the Resolution to satisfy sinking fund installments established for the Series 1993 Bonds maturing October 1, 2013, on each October 1 on and after October 1, 2007, at a redemption price equal to the principal amount thereof together with accrued interest to the redemption date, and (ii) otherwise, at the option of the Commission, in whole or in part as directed by the Commission on any date on or after October 1, 2003, at the respective redemption prices (expressed as percentages of the principal amount of the bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

Redemption Dates	Redemption Prices
October 1, 2003 through September 30, 2004	101%
October 1, 2004 and thereafter	100

The Series 1993 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 30 nor more than 60 days prior to the redemption date, to the 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 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 principal, premium, if any, and interest on the Series 1993 Bonds are payable solely from the Pledged Property (as defined in the Resolution) and neither the State of New Jersey nor any political subdivision thereof, other than the Commission, is obligated to pay the principal, premium, if any, or interest on this Bond and the series of Bonds of which it is one and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on this Bond or the series of Bonds of which it is one. The payment of the principal of and interest on this Bond has been guaranteed by the

County of Burlington, New Jersey (the "County") under the terms of a resolution of the County which was finally adopted by the Board of Chosen Freeholders of the County on April 28, 1993 (the County Guaranty).

It is hereby certified and recited that all conditions, 3
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 one, together with all other indebtedness of the Commission, 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, BURLINGTON COUNTY BRIDGE COMMISSION, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman, and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary, all as of the Dated Date hereof.

BURLINGTON COUNTY BRIDGE COMMISSION

By ______________________________
Chairman

[SEAL]

Attest:

____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds delivered pursuant to the within mentioned Resolution.

FIRST FIDELITY BANK, NATIONAL ASSOCIATION, New Jersey, as Trustee

By _______________________________
Authorized Officer

(FORM OF COUNTY GUARANTY)

COUNTY OF BURLINGTON, NEW JERSEY

The undersigned, COUNTY OF BURLINGTON, NEW JERSEY (the "County") hereby unconditionally guarantees to the holder of the bond upon which this Guaranty is endorsed the due and punctual payment of the principal of and interest on said bond, when and as the same shall become due and payable, whether at maturity, by redemption, upon acceleration or otherwise.

Except insofar as the enforcement of this Guaranty may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the County hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of any or all of the obligations, the absence of any action to enforce same, the waiver or consent by the holder of any bond, or any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a guarantor and irrespective of any other circumstance which might otherwise limit the recourse against the County by the holder of any bond.

The full faith and credit of the County are hereby pledged for the payment of the County's obligations under this Guaranty and

there shall be levied ad valorem taxes on all taxable property within the County without limit as to rate or amount sufficient to pay the County's obligations under this Guaranty.

Unless this Guaranty has been executed in the name of the County and on its behalf by an authorized officer of the County, the Guaranty shall not be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the County has caused this Guaranty to be duly executed.

COUNTY OF BURLINGTON, NEW JERSEY

By:_______________________________
Authorized Officer

ARTICLE III

SALE OF SERIES 1993 BONDS

301 **Approval of Bond Purchase Contract.** The Series 1993 Bonds shall be sold to the Underwriters at the purchase price and on the terms and conditions set forth in the Bond Purchase Contract. The Bond Purchase Contract, in the form submitted to this meeting and hereby made a part of this First Supplemental Resolution as though set forth in full herein, is hereby approved. The Chairman, the Vice Chairman, the Executive Director or the Chief Financial Officer be, and each of them hereby is, authorized on behalf of the Commission to execute the Bond Purchase Contract and to deliver it to the Underwriters and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Bond Purchase Contract and to take all action contemplated to be taken by the Commission pursuant to the terms of the Bond Purchase Contract.

302 **Approval of Official Statement.** The Official Statement, in substantially the form submitted to this meeting and hereby made a part of this First Supplemental Resolution as though set forth in full herein, is hereby approved. The Chairman, the Vice Chairman the Executive Director or the Chief Financial Officer be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Official Statement, said execution being conclusive evidence of such approval, and any amendments or supplements to the Official Statement as may be necessary or desirable in order to comply with the provisions of the Bond Purchase Contract. After execution, the officer of the Commission executing the Official Statement is hereby authorized to deliver to the Underwriters an executed copy or copies of the Official Statement and any amendments or supplements thereto as required by the Bond Purchase Contract.

303 **Ratification of Preliminary Official Statement.** The Commission hereby ratifies and confirms the use by the Underwriters of the Preliminary Official Statement prior to the date hereof in connection with the public offering and sale of the Series 1993 Bonds. The Commission hereby ratifies and confirms that the Preliminary Official Statement was "deemed final" by the Commission as of its date for the purpose of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities and Exchange Act of 1934.

304 **Authorization of Other Officers.** The Chairman, the Vice Chairman, the Secretary, the Treasurer, any other member of the Commission, the Executive Director and the Chief Financial

Officer, and any other proper official of the Commission, be and each of them hereby is, authorized and directed to execute and deliver, on behalf of the Commission, any and all documents, instruments and papers, and to do and cause to be done any and all acts and things as may be necessary or advisable for carrying out the transactions contemplated by, the Resolution, this First Supplemental Resolution, the Bond Purchase Contract and the Official Statement.

ARTICLE IV

AMENDMENTS TO THE RESOLUTION

401 Amendment to Section 101 of the Resolution. Section 101 of the Resolution is hereby amended to add the definition of "County Guaranteed Bonds" which definition shall read in its entirety as follows:

"**County Guaranteed Bonds** means any Bonds the punctual payment of the principal of and interest on which is unconditionally guaranteed by the County as provided in the Act."

402 Amendment to Definition of Event of Default. The definition of "Event of Default" contained in Section 101 of the Resolution is hereby amended in its entirety to read as follows:

"**Event of Default** shall have the meaning given such term in subsection 1 of Section 801."

403 Amendment to Definition of Reserve Maintenance Requirement. The definition of "Reserve Maintenance Requirement" contained in Section 101 of the Resolution is hereby amended in its entirety to read as follows:

"**Reserve Maintenance Requirement** means $500,000 or such larger amount as shall be set forth in a certificate executed by the Consulting Engineer and delivered to the Commission and the Trustee stating that such larger amount is necessary to cause the Bridge System to be operated in a prudent and economical manner; provided, however, that, if any amounts are due and owing to the County pursuant to any agreement between the Commission and the County entered into in accordance with Section 501, then any such larger amount shall only become the Reserve Maintenance Requirement if such larger amount is consented to in writing by the County."

404 Amendment to Section 501. Subsection 1 to Section 501 of the Resolution is hereby amended in its entirety to read as follows:

"1. The Bonds are special obligations of the Commission payable solely from the Pledged Property. The Pledged Property is hereby pledged and assigned to the Trustee as security for the payment of (i) the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, and (ii) to the extent provided in the following sentence, any amounts owed to the County

pursuant to any agreements entered into between the Commission and the County pursuant to such sentence. Notwithstanding anything contained in the Resolution to the contrary, the Commission may enter into agreements with the County providing for the reimbursement to the County of any amounts paid by the County to the Owners of County Guaranteed Bonds which are secured by a parity lien and pledge of the Pledged Property, without preference, priority or distinction over the rights of the Owners of the Bonds."

405 Amendment to Section 506. Subsection 2 to Section 506 of the Resolution is hereby amended in its entirety to read as follows:

"2. Amounts deposited in the Debt Service Fund to satisfy Sinking Fund Installments shall be applied to the purchase or redemption of Bonds as provided in this subsection. Amounts deposited in the Debt Service Fund by reason of the payment of any Sinking Fund Installment may, and if so directed by the Commission shall, be applied by the Trustee on or prior to the date Bonds are selected for redemption as a result of such Sinking Fund Installment, to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established. All such purchases of Bonds shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. The applicable sinking fund Redemption Price of any Bonds (or principal amount of maturing Bonds) so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund. At any time prior to the date Bonds are selected for redemption from any Sinking Fund Installment, the Commission may purchase with any available funds Bonds subject to redemption by operation of such Sinking Fund Installment and give written notice to the Trustee of its intention to surrender such Bonds (identifying the same by serial number) on the Sinking Fund Installment date. To the extent that amounts are available in the Debt Service Fund and, if necessary, the Debt Service Reserve Fund, and after giving effect to the Bonds purchased by the Trustee or to be surrendered by the Commission, which shall be credited against the Sinking Fund Installment at the applicable sinking fund Redemption Price thereof, the Trustee shall proceed to call for redemption, as provided in Section 406, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Fund and, if necessary, the Debt Service Reserve Fund to the appropriate Paying Agents, on

or before the day preceding such redemption date, the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption. After making such payments, the Trustee shall withdraw from the Debt Service Fund on the Sinking Fund Installment due date the lesser of (a) the applicable sinking fund Redemption Price of and accrued interest on the Bonds surrendered by the Commission on such date or (b) the amount on deposit in the Debt Service Fund not required to pay interest, principal and Redemption Price on other Bonds, and deposit such amounts in the Revenue Fund. If the principal amount of Bonds retired pursuant to this subsection through application of any Sinking Fund Installment shall exceed the amount of such Sinking Fund Installment, or in the event of the purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments have been established from moneys other than Sinking Fund Installments, such excess or the principal amount of Bonds so purchased or redeemed, as the case may be, shall be credited towards future Sinking Fund Installments either (a) in order of their due dates or (b) in such order as the Commission establishes in a certificate signed by an Authorized Officer of the Commission, and delivered to the Trustee on or prior to the date Bonds are selected for redemption as a result of such Sinking Fund Installment."

406 Amendment to Section 507. Subsection 1 to Section 507 of the Resolution is hereby amended in its entirety to read as follows:

"1. If on the due date of any interest on the Bonds or any Principal Installment, the amount in the Debt Service Fund shall be less than the amount required to pay such interest or Principal Installment, the Trustee shall apply amounts from the Debt Service Reserve Fund to the extent necessary to make good the deficiency. As soon as practicable after any such application of amounts from the Debt Service Reserve Fund, the Trustee shall give written notice of such event to the County."

407 Amendment to Section 508. Subsection 4 to Section 508 of the Resolution is hereby amended in its entirety to read as follows:

"4. Whenever the moneys on deposit in the Reserve Maintenance Fund shall exceed the Reserve Maintenance Requirement, the Trustee shall withdraw the excess and deposit it in the Revenue Fund."

408 Amendment to Section 509. Subsection 2 to Section 509 of the Resolution is hereby amended in its entirety to read as follows:

"2. Amounts in the General Reserve Fund not required to meet a deficiency under subsection 1 of this Section 509 shall be applied first to reimburse the County for any amounts owing under the Security Agreement and thereafter, subject to the terms of any pledge securing Subordinated Indebtedness, may be applied to any one or more lawful purpose of the Commission, including without limitation, the following:

(a) payment of the principal or redemption price of and interest on any Subordinated Indebtedness;

(b) payments into the Construction Fund for application to the purposes of such Fund;

(c) improvements, extensions and betterments to, and renewals and replacements of the Bridge System or any other facility of the Commission or the provision of one or more reserves therefor;

(d) payments into the Revenue Fund; and

(e) the purchase or redemption of any Bonds and expenses of such purchase or redemption."

409 Amendment to Section 603. Subsection 1 to Section 603 of the Resolution is hereby amended in its entirety to read as follows:

"1. Moneys held in the Construction Fund and the Revenue Fund shall be invested and reinvested by the Trustee at the written direction of the Commission in Investment Securities specified in such written direction which mature no later than necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Operating Fund shall be invested and reinvested by the Commission in Investment Securities which mature no later than necessary to provide moneys when needed for payments to be made from such Fund. Moneys held in the Debt Service Fund and the Debt Service Reserve Fund shall be invested and reinvested by the Trustee at the written direction of the Commission to the fullest extent practicable in Investment Securities specified in such written direction, which Investment Securities shall mature no later than necessary to provide moneys when needed for payments to be made from such Funds, but no moneys in the Debt Service Reserve Fund shall be invested in any Investment Security maturing more than 10 years from the date of such investment. Amounts in the Reserve Maintenance Fund may be invested by the Trustee at the written direction of the

Commission in Investment Securities which mature within 3 years. Amounts in the General Reserve Fund may be invested by the Commission in Investment Securities which mature within 3 years, but no later than necessary to provide moneys when needed for payments from such Fund."

410 Amendment to Section 715. Subsection 2 of Section 715 of the Resolution is hereby amended in its entirety to read as follows:

"2. The Commission shall not grant free passage for the use of the toll bridges in the Bridge System, except (a) to members, officers and employees of the Commission actually in the performance of their duties or in the course of traveling to or from the place of the performance of such duties, (b) to members of the New Jersey State Police Force in the performance of their duties, to members of any fire department or any local police department in the performance of their duties and to any public or private ambulance or rescue squad service for the emergency passage of its ambulance or rescue vehicles, (c) to employees of the County in the performance of their duties, (d) to members of the military of the United States of America in the performance of their duties, (e) to any vehicles which the Commission, in consultation with the Consulting Engineer, shall determine should have free passage in order to protect the structural integrity of the toll bridges of the Bridge System and/or the health, safety and welfare of the employees of the Commission and (f) as may otherwise be provided by law."

411 Amendment to Section 801. Section 801 of the Resolution is hereby amended in its entirety to read as follows:

"1. If one or more of the following events ("Events of Default") shall happen with respect to any Bond, that is to say:

(a) if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(b) if a default shall occur in the due and punctual payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable;

(c) if a default shall occur in the due and punctual payment of moneys payable to the Trustee under any Debt Service Reserve Fund Credit Facility deposited

in the Debt Service Reserve Fund pursuant to Section 507(4);

(d) if a default shall occur in the performance or observance by the Commission of any of the covenants, agreements and conditions contained in Section 714;

(e) if a default shall occur in the performance or observance by the Commission of any other of the covenants, agreements or conditions in the Resolution or in the Bonds, and such default shall continue for a period of 30 days after written notice thereof to the Commission by the Trustee or to the Commission and to the Trustee by the Owners of not less than 10% in principal amount of the Bonds Outstanding;

(f) if the Commission shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or the State of New Jersey;

(g) if any portion of the Bridge System shall be damaged or destroyed to the extent of impairing the Bridge System's efficient operation and adversely affecting the Revenues and shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the same shall be due to the impracticability of such repair, replacement or reconstruction or lack of funds therefor or for any reason), as certified by the Consulting Engineer; or

(h) if an order or decree shall be entered, with the consent or acquiescence of the Commission, appointing a receiver or receivers of the Bridge System, or any part thereof, or of the tolls or other Revenues therefrom; or if such order or decree entered without the consent or acquiescence of the Commission shall not be vacated or discharged or stayed within 90 days after the entry thereof;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Commission), or the Owners of not less than 25% in aggregate principal amount of the Bonds Outstanding (by notice in writing to the Commission and the Trustee), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable. The right of the Trustee or of the Owners of not less than 25% in principal amount of the Bonds to make any such declaration,

however, shall be subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the Commission under the Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Commission or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Owners of a majority in principal amount of the Bonds Outstanding, by written notice to the Commission and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction of the Owners of 25% of the aggregate principal amount of the Bonds then Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default and its consequences shall ipso facto be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any resulting right or power consequent thereon.

2. Notwithstanding anything in the Resolution to the contrary, so long as County Guaranteed Bonds are the only Bonds Outstanding under the Resolution, the principal of all the Bonds Outstanding, and the interest accrued thereon, may not be declared to be immediately due and payable as provided in subsection 1 of this Section 801 without the prior written consent of the County."

412 Amendment to Section 808. Section 808 of the Resolution is hereby amended in its entirety to read as follows:

"The Trustee shall promptly mail to all Owners of Bonds written notice of the occurrence of any Event of Default of which the Trustee is deemed to have knowledge pursuant to Section 916. If in any Fiscal Year the annual audit report delivered to the Trustee pursuant to Section 718(4) states that the Revenues for the preceding Fiscal Year have been insufficient to comply with the provisions of subsection 2 of Section 714, the Trustee, on or before the 30th day after receipt of such annual audit report, shall mail to all Owners of Bonds written notice of such insufficiency."

413 Amendment to Section 809. The Resolution is hereby amended to add Section 809, such Section shall in its entirety read as follows:

"Section 809. **Provisions Relating to the County.** Notwithstanding anything contained in this Article VIII to the contrary, for all purposes of this Article VIII, except for the purpose of receiving notice of the occurrence of any Event of Default as provided in Section 808, and for so long as the County has not failed to comply with its payment obligations with respect to any County Guaranteed Bonds, the County shall be deemed to be the sole Owner of all County Guaranteed Bonds."

414 Amendment to Section 916. Section 916 of the Resolution is hereby amended in its entirety to read as follows:

"The Trustee shall not be deemed to have notice of any default hereunder except a default under clauses (a) or (b) of subsection 1 of Section 801 or the failure of the Commission to file with the Trustee any document required by the Resolution unless any officer in its corporate trust office shall have actual knowledge thereof or the Trustee shall be specifically notified in writing of such default by the Commission or by the Owners of not less than 10% in principal amount of the Bonds then Outstanding; and all notices or other instruments required by such Resolution to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee."

415 Amendment to Section 1003. Section 1003 of the Resolution is hereby amended in its entirety to read as follows:

"Section 1003. **Supplemental Resolutions Effective With Consent of County and Bondowners.** At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the County and the Bondowners in accordance with and subject to the provisions of Article XI, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Commission 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."

416 Amendment to Section 1004. Subsection 2 of Section 1004 of the Resolution is hereby amended in its entirety to read as follows:

"2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1001 and 1002 may be adopted by the Commission without the consent of the County or any of the Bondowners, but shall become effective only on the conditions, 3

to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an Opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Commission and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally."

417 Amendment to Section 1102. Section 1102 of the Resolution is hereby amended in its entirety to read as follows:

"Section 1102. **Powers of Amendment.** Any modification or amendment of the Resolution and of the rights and obligations of the Commission and of the Owners of the Bonds may be made by Supplemental Resolution of the Commission with (A) so long as the County has not failed to comply with its payment obligations with respect to any County Guaranteed Bonds, the written consent of the County, and (B) the written consent, given as provided in Section 1103, of the Owners (i) of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority 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 Series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption (including Sinking Fund Installments) or maturity of the principal of any Outstanding Bonds, 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 Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners 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 consent thereto. For the purposes of this Section, 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 Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not the rights of the Owners of Bonds of any particular Series or maturity would be adversely affected or diminished by any such modification or

amendment, and its determination shall be binding and conclusive on the Commission and all Owners of the Bonds."

418 Amendment to Section 1103. Section 1103 of the Resolution is hereby amended in its entirety to read as follows:

"Section 1103. **Consent of Bondowners.** The Commission 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. Upon the adoption of such Supplemental Resolution, a copy thereof, certified by an Authorized Officer of the Commission, shall be delivered to and held by the Trustee for the inspection of the Bondowners whose consent is required pursuant to Section 1102. A copy of such Supplemental Resolution (or summary thereof or reference thereto in form approved by the Trustee) together with a request to such Bondowners for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Commission to such Bondowners, but failure to mail such copy and request shall not affect the validity of such Supplemental Resolution when consented to as in this Section provided. Such Supplemental Resolution shall not be effective unless and until (a) there shall have been filed with the Trustee (i) to the extent required by Section 1102, the written consent of the County, (ii) the written consents of the Owners of the required principal amount of Outstanding Bonds specified in Section 1102, and (iii) an Opinion of Bond Counsel stating that such Supplemental Resolution has been duly adopted by the Commission in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution and, when effective, will be valid and binding upon the Commission, and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (b) a notice shall have been given as hereinafter in this Section 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 proof as shall be permitted by Section 1301. A certificate or certificates of the Trustee filed with the Commission stating that it has examined such proof and that such proof is sufficient under the provisions of Section 1301 shall be conclusive that consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor whether or not such subsequent Owner has notice thereof; provided, however, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof

that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within 30 days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and file with the Commission and the Trustee a written statement that the consents of the Owners of the required principal amount of Outstanding Bonds have been filed with it. Such written statement shall be conclusive that such consents have been so filed. Promptly thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a resolution adopted by the Commission on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required principal amount of Outstanding Bonds and will be effective as provided in this Section 1103, shall be given by mail to Bondowners (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in this Section 1103). The Trustee shall file with the Commission proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section to be filed by or with the Trustee shall be proof of the matters therein stated."

418 Amendment to Section 1104. Section 1104 of the Resolution is hereby amended in its entirety to read as follows:

"Section 1104. **Modifications by Unanimous Action.** The terms and provisions of the Resolution and the rights and obligations of the Commission and of the Owners of the Bonds thereunder may be modified or amended in any respect by the adoption and filing by the Commission of a Supplemental Resolution effecting such modification or amendment and (i) so long as the County has not failed to comply with its payment obligations with respect to any County Guaranteed Bonds, the written consent of the County, and (ii) the consents of the Owners of all the Bonds affected thereby then Outstanding, each such consent to be given as provided in Section 1103 except that no notice to Bondowners shall be required; provided that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto."

420 Amendment to Section 1312. The Resolution is hereby amended to add Section 1312, such Section shall in its entirety read as follows:

"Section 1312. **Rights of the County.** Notwithstanding anything contained in the Resolution to the contrary, if there are no County Guaranteed Bonds Outstanding under the Resolution and no amounts are due and owing to the County pursuant to any agreement between the Commission and the County, then all rights of the County under the Resolution shall be void and terminated and the Commission and the Trustee shall not be required to obtain any consent or vote of, or give any notice to, the County which is otherwise required by the terms and provisions of the Resolution."

ARTICLE V

RESOLUTION TO REMAIN IN EFFECT; EFFECTIVE DATE

501 Resolution to Remain in Effect. Save and except as supplemented and amended by this First Supplemental Resolution, the Resolution shall remain in full force and effect.

502 Effective Date. This First Supplemental Resolution shall take effect upon the filing with the Trustee of a copy of this First Supplemental Resolution certified by an Authorized Officer of the Commission, and upon the written assent of the Trustee.

APPENDIX E

FORM OF GUARANTY AGREEMENT

FIFTH AMENDED AND RESTATED REIMBURSEMENT AND SECURITY AGREEMENT

between

THE BURLINGTON COUNTY BRIDGE COMMISSION

and

THE COUNTY OF BURLINGTON, NEW JERSEY

Dated as of June 1, 1993,
as amended and restated on July 15, 2002, April 18, 2013, December 29, 2015, November 23, 2016 and [November __, 2017]

<u>FIFTH AMENDED AND RESTATED</u>
<u>REIMBURSEMENT AND SECURITY AGREEMENT</u>

This Fifth Amended and Restated Reimbursement and Security Agreement, originally dated as of June 1, 1993, as amended and restated on July 15, 2002, April 18, 2013, December 29, 2015, November 23, 2016 and as further amended and restated as of and [November __, 2017] (the "Fifth Amended Agreement") made by the BURLINGTON COUNTY BRIDGE COMMISSION (the "Commission"), a public body corporate and politic and a political subdivision of the State of New Jersey and created and existing pursuant to N.J.S.A. 27:19-26, et seq. (the "Act") in favor of THE COUNTY OF BURLINGTON, NEW JERSEY (the "County").

WHEREAS, on April 27, 1993, the Commission adopted its Bridge System Revenue Bond Resolution, as amended and supplemented (the "General Bond Resolution"), which authorizes the issuance of revenue bonds by the Commission from time to time in order to finance certain costs of the Bridge System (as defined in the General Bond Resolution), including the Project (as defined in the General Bond Resolution, hereinafter called the “Initial Project”) and to refund bonds outstanding under the General Bond Resolution; and

WHEREAS, on June 11, 1993, the Commission adopted its First Supplemental Bridge System Revenue Bond Resolution which supplemented and amended the General Bond Resolution and authorized the issuance of the Commission's County Guaranteed Bridge System Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), in an aggregate principal amount of $32,795,000; and

WHEREAS, the Series 1993 Bonds were authorized to be issued by the Commission to provide funds to (i) pay certain costs of the Project as more particularly described in the General Bond Resolution, (ii) fund the Debt Service Reserve Fund created and established under the General Bond Resolution to its requirement, and (iii) pay the costs incurred by the Commission in connection with the authorization, issuance, sale and delivery of the Series 1993 Bonds; and

WHEREAS, for the purpose of aiding the Commission in marketing and issuing each Series of the Series 1993 Bonds, the Board of Chosen Freeholders of the County by resolution finally adopted on April 28, 1993 (the "1993 County Resolution") authorized the County to guarantee the payment of the principal of and interest on the Series 1993 Bonds in an amount not-to-exceed $33,000,000; and

WHEREAS, the Commission and the County executed a Reimbursement and Security Agreement dated as of June 1, 1993 in connection with the County's guaranty of the Series 1993 Bonds; and

WHEREAS, the Series 1993 Bonds were the first series of Bonds to be issued under and pursuant to, and secured by, the General Bond Resolution and were defeased by the Series 2002 Bonds (as herein defined); and

WHEREAS, on January 11, 2002, the Commission adopted its Third Supplemental Bridge System Revenue Bond Resolution which supplemented the General Bond Resolution and authorized the issuance of the Commission's $21,735,000 aggregate principal amount of County Guaranteed Bridge System Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds") for the purpose of financing a refunding program with respect to the Series 1993 Bonds (the "Refunding Project") consisting of the advance refunding of $21,640,000 principal amount of the Series 1993 Bonds maturing in the years 2004 through 2013, inclusive (the "Refunded Bonds"); and

WHEREAS, simultaneously with the issuance of the Series 2002 Bonds, the Refunded Bonds ceased to be outstanding under the terms of the General Bond Resolution and ceased to be entitled to the benefits of the 1993 County Resolution; and

WHEREAS, for the purpose of aiding the Commission in marketing and issuing each Series of the Series 2002 Bonds, the Board of Chosen Freeholders of the County by resolution finally adopted on April 11, 2001 (the "2001 County Resolution") approved of and consented to the Refunding Project and authorized a supplemental guaranty of $4,000,000 for the payment of the principal of and interest on the Series 2002 Bonds; and

WHEREAS, the Commission and the County executed an Amended Reimbursement and Security Agreement dated as of July 16, 2002 (the "First Amended Agreement") in connection with the County's guaranty of the Series 2002 Bonds; and

WHEREAS, on November 20, 2012, the Commission adopted a resolution entitled "Fourth Supplemental Bridge System Revenue Bond Resolution Relating To County Guaranteed Bridge System Revenue Bonds, Series 2012" which authorized the issuance of its "County Guaranteed Bridge System Revenue Bonds, Series 2013" in the aggregate principal amount not-to-exceed $55,000,000 and which were issued on April 18, 2013 in the amount of $46,290,000 (the "Series 2013 Bonds") to pay for certain capital projects of the Commission as enumerated therein (the "2013 Project"); and

WHEREAS, to aid in the issuance of the Series 2013 Bonds, the Board of Chosen Freeholders of the County by resolution finally adopted on November 14, 2012 (the "2013 County Resolution" and together with the 1993 County Resolution and the 2001 County Resolution, the "Prior County Resolution") authorized the County to additionally guarantee the payment, when due, of the principal of and interest on the Series 2013 Bonds in an amount not-to-exceed $55,000,000; and

WHEREAS, the Commission and the County executed a Second Amended Reimbursement and Security Agreement dated as of April 18, 2013 (the "Second Amended Agreement"), in connection with the guaranty of the Series 2013 Bonds; and

WHEREAS, the Series 2002 Bonds finally matured in 2013; and

WHEREAS, the Commission determined that a need existed to undertake certain capital improvements to the Commission's Tacony-Palmyra Bridge, the Burlington-Bristol Bridge, and the Riverside-Delanco Bridge, together with other purposes incidental or related thereto, including deposits to reserve funds under the General Bond Resolution and the payment of costs of issuance on the bonds or notes (collectively, the "2015 Project" and together with the 2013 Project, the "Project")) as more particularly described in the Commission request for (i) approval and consent, pursuant to *N.J.S.A.* 27:19-31(A), for the 2015 Bridge Commission Capital Program and (ii) a County guaranty in connection with the issuance of the Series 2015 Obligations (as hereinafter defined) to finance the costs thereof; and

WHEREAS, the Commission is authorized to issue bonds and/or notes, pursuant to *N.J.S.A.* 27:19-31(A), to finance the costs of the 2015 Bridge Commission Capital Program and proposed to issue its County Guaranteed Bridge System Revenue Bonds, Series 2015 (or if issued in a later year, Series 20__) under the under the terms of General Bond Resolution and/or and a resolution of the Commission adopted on October 14, 2015 and entitled "Resolution Authorizing the Issuance of Not-To-Exceed $60,000,000 County Guaranteed Bridge System Subordinated Revenue Notes Of The Burlington County Bridge Commission" authorizing the issuance and sale of the Notes (the "Note Resolution" and, together with the General Bond Resolution, the "Resolution"), in one or more series and at one or more times in the aggregate principal amount not-to-exceed $60,000,000 ("Series 2015 Obligations")(whether issued as Bonds pursuant to the General Bond Resolution or as Notes pursuant to the Note Resolution); and

WHEREAS, to aid in the issuance of the Series 2015 Obligations, the Board of Chosen Freeholders of the County by resolution finally adopted on October 14, 2015 authorized the County to additionally guarantee the payment, when due, of the principal of and interest on the Series 2015 Obligations in an amount not-to-exceed $60,000,000 ("2015 County Resolution" and together with the Prior County Resolution, the "County Resolution"); and

WHEREAS, on December 29, 2015, the Commission issued 2015 Obligations in the form of its $49,820,000 principal amount of County-Guaranteed Bridge System Subordinated Revenue Notes, Series 2015 (the "Series 2015 Notes"); and

WHEREAS, the Commission and the County executed a Third Amended Reimbursement and Security Agreement dated as of December 29, 2015 (the "Third Amended Agreement"), in connection with the guaranty of the Series 2015 Notes; and

WHEREAS, the Series 2015 Notes matured on December 1, 2016; and

WHEREAS, on October 14, 2016, the Commission adopted a resolution entitled "First Supplemental County Guaranteed Bridge System Subordinated Revenue Notes Of The Burlington County Bridge Commission Relating to the Issuance of Not to Exceed $60,000,000 County Guaranteed Bridge System Subordinated Revenue Notes, Series 2016" (the "First Supplemental Note Resolution") which authorized the issuance of its "County Guaranteed Bridge System Subordinated Revenue Notes, Series 2016" in the aggregate principal amount not-to-exceed $60,000,000; and

WHEREAS, on November 23, 2016, in accordance with the General Bond Resolution, the Note Resolution and the First Supplemental Note Resolution, the Commission issued its County Guaranteed Bridge System Subordinated Revenue Notes, Series 2016 in the amount of

$49,525,000 (the "Series 2016 Notes") to pay the principal amount due on the Series 2015 Note when due on December 1, 2016; and

WHEREAS, the Commission and the County executed a Fourth Amended Reimbursement and Security Agreement dated as of November 23, 2016 (the "Fourth Amended Agreement"), in connection with the guaranty of the Series 2016 Notes; and

WHEREAS, the Series 2016 Notes will mature on November __, 2017; and

WHEREAS, on August 29, 2017, the Commission adopted a resolution entitled "Fifth Supplemental Bridge System Revenue Bond Resolution Relating To County Guaranteed Bridge System Revenue Bonds, Series 2017" (the "Fifth Supplemental Bond Resolution") which authorized the issuance of its "County Guaranteed Bridge System Revenue Bonds, Series 2017" in the aggregate principal amount not-to-exceed $60,000,000; and

WHEREAS, on [October __, 2017], in accordance with the General Bond Resolution, and the Fifth Supplemental Bond Resolution, the Commission issued its County Guaranteed Bridge System Revenue Bonds, Series 2017 in the amount of $_______________ (the "Series 2017 Bonds") to pay the principal amount due on the Series 2016 Note when due on ______________ and finance on a permanent basis the costs of the 2015 Project; and

WHEREAS, upon the issuance of the Series 2017 Bonds and simultaneous deposit of the proceeds of the Series 2017 Bonds with the Paying Agent for the Series 2016 Note, the Series 2016 Note will no longer be Outstanding under the Resolution; and

WHEREAS, the County, as a continued inducement to adopt the 2015 County Resolution and to consent to the issuance of the Series 2017 Bonds, the County required that the Commission enter into this Fifth Amended and Restated Reimbursement and Security Agreement with the County, dated the date of issuance of the Series 2017 Bonds ("Fifth Amended Agreement"); and

NOW, THEREFORE the Commission and the County hereby agree as follows:

GRANT OF SECURITY

To secure the reimbursement and other payment obligations of the Commission to the County now or hereafter arising under Sections 3.01(A) and (B) of this Fifth Amended Agreement (collectively, the "Obligations"), whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising and howsoever evidenced, the Commission, for and in consideration of One Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does by these presents hereby pledge and assign in favor of the County, its successors and assigns, the Pledged Property (as defined in the Resolution); provided, however, that such pledge of and lien on the Pledged Property ranks on a parity with the pledge of and lien on (i) the Pledged Property created by the General Bond Resolution in favor of the owners of the Bonds, without preference, priority and distinction over the rights of the owners of the Bonds and (ii) the Pledged Property created by the

Note Resolution in favor of the owners of the notes, without preference, priority and distinction over the rights of the owners of the notes.

TO HAVE AND TO HOLD the Pledged Property hereby conveyed or mentioned, or intended so to be, unto the County forever, provided however that (i) so long as no Event of Default (as defined in Section 4.01 hereof) has occurred and is continuing, the County shall not control or restrict the collection, receipt, retention, use or distribution by the Commission of any of the respective Pledged Property as permitted by the General Bond Resolution and the Note Resolution.

IN TRUST for the benefit and security of the County for the enforcement of the payment of all Obligations.

PROVIDED, HOWEVER, that if the Bonds shall be satisfied and discharged in accordance with Section 1201 of the General Bond Resolution or the Notes shall be satisfied and discharged in accordance with Section 704 of the Note Resolution and the Commission shall pay or cause to be paid all Obligations as set forth in this Fifth Amended Agreement, then all interest of the County in the Pledged Property shall cease, terminate and be void.

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Capitalized terms used herein but not otherwise defined herein shall have the meaning of such terms in the Resolution.

The following terms shall have the meaning specified in the foregoing recitals:
1993 County Resolution
2001 County Resolution
2013 County Resolution
2015 County Resolution
Act
Bonds
Commission
County
County Resolution
First Supplemental Note Resolution
General Bond Resolution
Notes
Note Resolution
Obligations
Prior Bonds
Prior County Resolution
1993 Project
2013 Project

2015 Project
Project
Refunding Project
Resolution
Series 1993 Bonds
Series 2002 Bonds
Series 2013 Bonds
Series 2017 Bonds
Series 2015 Obligations (whether issued as Bonds or Notes)
Series 2015 Notes
Series 2016 Notes

As used hereinafter in this Fifth Amended Agreement, the following terms shall have the following meaning:

"Permitted Debt" means, collectively, the Series 2013 Bonds, the Series 2017 Bonds and the Obligations of the Commission hereunder to the County.

"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 Commission as of such date.

"Trustee" means U.S. Bank National Association, or any successor serving as trustee under the Resolution.

ARTICLE II

COUNTY GUARANTY

SECTION 2.01. (A) County Guaranty. Pursuant to the Act and the County Resolution, the County hereby agrees unconditionally guarantee the punctual payment when due of the principal of and interest on the Bonds Outstanding (as described in paragraph (B) of this Section 2.01) and the Series 2017 Bonds.

(B) The Bonds Outstanding under the terms of the Resolution as of the date of this Fifth Amended Agreement are in the aggregate principal amount of $______________ and mature as set forth in the schedule attached hereto as Exhibit A and made a part hereof.

(C) (1) For Bonds, as soon as practicable after the Trustee is required to withdraw any amounts on deposit in the Debt Service Reserve Fund and transfer such amounts to the Debt Service Fund in order to pay any current Debt Service coming due on the Bonds, as provided in the Resolution, the Commission and the Trustee shall give written notice of the event and the amount of the withdrawal to the County. Upon receipt of such written notice, the County shall thereafter take all budgetary steps, make all appropriations and take such other actions as may be necessary in order to authorize and provide for the payment by the County, if any, to the Trustee, by not later than the interest payment date for the Bonds next following the end of the County's budget year in which such event occurs, of any payments of the principal and interest on the

Bonds which the County may thereafter become obligated to pay in accordance with the County Guaranty. The obligation of the County to pay in accordance with the County Guaranty shall be unconditional and not subject to any defenses, legal or equitable, that may be available to a guarantor of debt, including but not limited to (i) assertions of amendment, waivers or forbearance affecting the underlying agreement or collateral supporting the original transaction; (ii) the Commission's lack of authorization to enter into this Fifth Amended Agreement or the Commission's disability or bankruptcy; (iii) incomplete performance of the Fifth Amended Agreement; (iv) delay by the Trustee in making a claim; (v) lack of complete disclosure of matters relevant to the County; and (vii) failure to notify the County, each of which is hereby affirmatively waived by the County. Further, the County hereby waives any rights of subrogation that may exist at common law, and any rights of set-off, counterclaim, recoupment, fraud, duress, failure of consideration, breach of representations and warranties or other agreements, payment, statute of frauds, statute of limitations, accord and satisfaction, failure to deliver notices, or usury which may be asserted by the County to impact on its obligation to pay in accordance with the County Guaranty.

(2) For the Series 2015 Obligations issued as Notes under the Note Resolution, including the Series 2016 Notes, if the Commission shall fail to deposit the Minimum Debt Service Amount on the Debt Service Funding Date, the Commission and the Trustee shall give written notice of the amount necessary to satisfy the Minimum Debt Service Amount and the Debt Service Funding Date. Further, if the Commission is unable to renew or refund the Series 2015 Obligations issued as Notes under the Note Resolution, including the Series 2016 Notes, the Commission and the Trustee will provide notice to the County at least twenty-five (25) days prior to the maturity date of the Notes outstanding under the Note Resolution, or such lesser time agreed to by the County in writing. Upon receipt of such written notice of either event, the County shall thereafter take all budgetary steps, make all appropriations and take such other actions as may be necessary in order to authorize and provide for the payment by the County, if any, to the Trustee, by not later than the interest payment date for the Notes. For the Series 2015 Obligations issued as Bonds under the General Bond Resolution, the provisions of paragraph (C)(1) shall apply.

(D) In the event the Commission is unable to pay its Obligations to the County hereunder, in addition to its rights hereunder, the County may in accordance with *N.J.S.A.* 27:19-39 dissolve the Commission and take title to the Bridge System and the Commission hereby consents to such dissolution. Nothing herein contained to the contrary shall be construed in any way limiting the County's ability to dissolve the Commission pursuant to *N.J.S.A.* 27:19-39 or as may be otherwise provided by law.

(E) The County will execute the endorsement relating to the County Guaranty on each Bond, including the Series 2017 Bonds, executed and delivered by the Trustee. The endorsement relating to the County Guaranty on each Bond, including the Series 2017 Bonds, shall be executed on behalf of the County by the Director of the Board of Chosen Freeholders of the County, by manual or facsimile signature.

ARTICLE III

COVENANTS

SECTION 3.01. Reimbursement of Moneys Paid Under the County Guaranty.

(A) In the event that the County shall be required to make any payments of the principal of or interest coming due on the Bonds, in accordance with the County Guaranty, the Commission hereby agrees to pay to the County, but only from the sources referred to in Section 3.01 (C) hereof, on demand by the County, an amount equal to the amount so paid by the County under the County Guaranty.

(B) Any amount owing to the County under Section 3.01(A) hereof shall bear interest for each day until paid at a rate of interest equal to the higher of (i) the highest rate of interest at which the Bonds bear interest, or (ii) in the event any bonds, notes or other evidences of indebtedness are issued by the County in order to provide the necessary funds to make payments under the County Guaranty, the net interest cost to the County on such bonds, notes or other evidences of indebtedness.

(C) Notwithstanding anything in this Fifth Amended Agreement to the contrary, for so long as Bonds are Outstanding under the Resolution, the Commission shall only be obligated to make the payment required to be made to the County pursuant to Section 3.01(A) and (B) hereof from the amounts, if any, on deposit in or required to be deposited in the General Reserve Fund created and established under the Resolution and available therefor. For so long as Bonds and Series 2015 Obligations issued as Notes are Outstanding under the Resolution and any obligations are due and owing to the County, the Commission shall use all available amounts in or required to be deposited in the General Reserve Fund pursuant to the applicable Resolution to first pay any amounts due and owing to the holders of Bonds Outstanding (including Series 2015 Obligations issued as Bonds pursuant to the General Bond Resolution) and Series 2015 Obligations issued as Notes and then to the County under this Fifth Amended Agreement before using any such available amounts for any other purpose permitted by the Resolution. If no Bonds or Series 2015 Obligations are Outstanding under the Resolution, the Commission shall be obligated to make any payments of any amounts owed to the County under Section 3.01(A) and (B) hereof from all available Revenues of the Commission.

(D) For so long as any Obligations are due and owing to the County, the Commission agrees that the Reserve Maintenance Requirement established pursuant to the Resolution shall not exceed $500,000 unless any larger amount is consented to in writing by the County.

SECTION 3.02. Limitation on Debt. The Commission shall not, without the consent of the County, issue any Additional Bonds or other bonds, notes or other evidences of indebtedness, including Subordinated Indebtedness, or create, assume or suffer to exist any debt, other than Permitted Debt, until the Obligations hereunder to the County have been satisfied and discharged in accordance with Section 5.01 hereof.

Notwithstanding anything herein to the contrary, the Commission may issue Refunding Bonds at any time in accordance with the Resolution to the extent such Refunding Bonds are not guaranteed by the County and no amounts are due and owing to the County hereunder.

SECTION 3.03. Disposition of Assets. The Commission shall not, without the consent of the County, sell, lease, transfer or otherwise dispose of all or substantially all of its assets.

SECTION 3.04. Limitations on Liens. The Commission shall not, without the consent of the County, create, incur or suffer to exist any lien, security interest, or other encumbrance upon the Pledged Property (including all tolls, revenues, fees, charges, rents and other receipts derived by the Commission from the operation, use or services of the Bridge System whether or not deposited in the Revenue Fund) other than the pledge and lien created hereunder and under the Resolution.

SECTION 3.05. Further Assurances. The Commission shall, at its sole cost and without expense to the County, on demand, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as the County shall from time to time reasonably require for better assuring, conveying, assigning, transferring and confirming unto the County the property and rights hereby pledged, assigned or intended now or hereafter so to be, or which the Commission may be or may hereafter become bound to convey or assign to the County, or for carrying out the intention or facilitating the performance of the terms of this Fifth Amended Agreement, or for filing, registering or recording this Fifth Amended Agreement.

SECTION 3.06. Tax Exemption.

(A) The Commission shall do all things necessary and desirable to preserve the exclusion from gross income for federal income taxation purposes of its revenues and income and of the interest on the Bonds.

(B) The Commission shall obtain from its bond counsel an unqualified opinion, upon which the County may rely, substantially to the effect that (i) the Bonds, when issued, are valid and binding obligations of the Commission issued under and entitled to the benefits of the Resolution, (ii) interest on the Bonds, is excluded from gross income for federal income tax purposes and will not be treated as a preference item for purposes of computing the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended, and (iii) the interest on the Bonds, and any gain from the sale thereof are exempt from gross income for purposes of New Jersey gross income tax.

SECTION 3.07. Insurance. The Commission shall at all times during the term of this Fifth Amended Agreement maintain the insurance required under applicable law and the Resolution.

SECTION 3.08. Commission's Annual Budget. The Commission shall file a copy of its annual budget with the County within thirty (30) days after adoption.

SECTION 3.09. Change in Scope of Project. The Commission shall not without the prior written approval of the County (a) add any improvements to the Project in excess of $100,000; (b) delete any improvements from the Project; or (c) make any major change in the scope or nature of any improvements included in the Project or authorize or approve expenditures of funds in excess of the estimated cost of any of the improvements included in the Project.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

SECTION 4.01. Event of Default. "Event of Default", as used herein, shall mean any of the following events, whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) the Commission shall fail to pay the Obligations secured hereunder when and as the same shall become due and payable, in accordance with the terms of this Fifth Amended Agreement; or

(b) the Commission shall fail to observe or perform any covenant or agreement contained in this Fifth Amended Agreement for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given the Commission by the County; or

(c) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Commission bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of the Commission under the United States Bankruptcy Code or any other similar applicable federal or state law, and such decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Commission or of its property, or for the winding-up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 90 days; provided, however, that such will not constitute an Event of Default within the meaning of this Section 4.01 unless the Commission has actual knowledge thereof; or

(d) the Commission shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the United States Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Commission in furtherance of any of the aforesaid purposes; or

(e) an Event of Default under the Resolution shall have occurred.

SECTION 4.02. Remedies. Upon the occurrence of an "Event of Default", the County may exercise any remedy available at law or in equity and any one or more of the following remedies (no remedy hereunder is intended to be exclusive of any other remedy hereunder or available in equity or under applicable law):

(a) The County shall have the right, from time to time, to bring an appropriate action to recover any sums required be paid by the Commission under the terms of this Fifth Amended Agreement, as they become due, without regard to whether or not the principal indebtedness or any other sums secured by this Fifth Amended Agreement shall be due or any other action, for any default by the Commission existing at the time the action was commenced; or

(b) The County may exercise all rights and remedies available to secured creditors under the Uniform Commercial Code as in effect in New Jersey; or

(c) The County shall have the right to exercise any remedy or take any other action available to the County under Article VIII of the General Bond Resolution and Article IV of the Note Resolution as and to the extent set forth in such Articles.

ARTICLE V

SATISFACTION AND DISCHARGE

SECTION 5.01. Satisfaction and Discharge. This Fifth Amended Agreement may be discharged if all Obligations are paid or deemed to have been paid hereunder or if the Bonds are no longer Outstanding under the Resolution and no Obligations owing to the County remain unpaid.

Upon the request of the Commission, the County shall deliver or cause to be delivered to the Commission such instruments as are reasonably necessary to confirm the release, satisfaction and discharge of the lien of this Fifth Amended Agreement and to cancel any security interest with respect thereto.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.01. Successors and Assigns of Commission and County Bound by Agreement. All the covenants, stipulations, promises and agreements in this Fifth Amended Agreement contained by or on behalf of the Commission or the County shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not; provided however that the County consents to the assignment of the Commission’s interest in this Fifth Amended Agreement to the Trustee and provided further that the County shall not assign its obligations under this Fifth Amended Agreement (i) to any political subdivision or body corporate or politic which does not have the power to levy ad-valorem taxes and that a credit rating from a Rating Agency that is equal to or greater than the credit rating of the County in effect at the time of the assignment and (ii) provides an affirmative declaration that the County remains ultimately liable for its obligations under this Fifth Amended Agreement.

SECTION 6.02. Official Acts by Successor Commission. Any act or proceeding by any provision of this Fifth Amended Agreement authorized or required to be done or performed by any board, committee or officer of the Commission shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Commission.

SECTION 6.03. Uniform Commercial Code Security Interest and Financing Statement. This instrument is intended to be a security agreement pursuant to the New Jersey Uniform Commercial Code covering any of the items or types of property included as part of the Pledged Property that may be subject to a security interest pursuant to the New Jersey Uniform Commercial Code, and the Commission hereby grants to the County a security interest in such Pledged Property to the extent provided herein and in the Resolution. In addition, the Commission will execute, deliver and file any financing statements or amendments thereof or continuation statements thereto that may be required to perfect or to continue the perfection of a security interest in such Pledged Property. The Commission shall pay or cause to be paid all costs of filing such instruments.

SECTION 6.04. Amendment. This Fifth Amended Agreement may be amended only in a writing executed by the parties hereto; provided however, that during the term of this Fifth Amended Agreement, the rights of the Commission or the Trustee to receive payments from the County under this Fifth Amended Agreement shall not be terminated, modified or amended. Further, no amendment shall be permitted without the prior affirmation of the rating, at the time of such assignment, on the Outstanding Bonds by the Rating Agencies.

SECTION 6.05. Notice or Demand Served by Mail. Unless otherwise expressly specified or permitted by the terms of this Fifth Amended Agreement, all notices shall be in writing, mailed by first-class mail, postage prepaid, and (i) if to the Commission, addressed to it at 1300 Route 73 North, Palmyra, New Jersey 08065, Attention: Executive Director, and (ii) if to the County, addressed to it at 49 Rancocas Road, Mount Holly, New Jersey 08060, Attention: County Treasurer, or to such other address as the Commission or the County shall from time to time designate by notice in writing to the other party. Whenever notice in writing is required to be given by the Commission or the County to the other party, such notice shall be deemed given and such requirement satisfied if such notice is mailed by first-class mail, postage prepaid, addressed as provided above.

SECTION 6.06. Governing Law. This Fifth Amended Agreement shall be deemed to be a contract made under the laws of the State of New Jersey, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 6.07. Benefits of Provisions of Agreement and Obligations. Nothing in this Fifth Amended Agreement or in the Obligations secured hereunder, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the Commission and the County, any legal or equitable right, remedy or claim under or in respect of this Fifth Amended

Agreement, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the Commission and the County.

SECTION 6.08. Continuing Disclosure. In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November __, 2017, between the Commission and US Bank National Association, as dissemination agent, relating to the Series 2017 Bonds, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, and (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

SECTION 6.09. Execution in Counterparts. This Fifth Amended Agreement may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK.]

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Reimbursement and Security Agreement has been duly executed by the parties hereto as of the date first above written.

ATTEST [SEAL]		BURLINGTON COUNTY BRIDGE COMMISSION
______________________	By:	______________________ Title: Chairman
ATTEST [SEAL]		COUNTY OF BURLINGTON, NEW JERSEY
______________________	By:	______________________ Title: Freeholder Director

EXHIBIT A

Bonds Outstanding

	Series 2013 Bond Principal	Series 2017 Bond Principal	Totals
2017	4,895,000	$	$
2018	4,760,000		
2019	4,605,000		
2020	4,425,000		
2021	4,255,000		
2022	4,065,000		
2023	2,555,000		
2024	2,215,000		
2025	1,835,000		
2026	1,425,000		
2027	965,000		
2028	750,000		
2029	525,000		
2030	280,000		
	$37,555,000	$____________	$ __________

APPENDIX F

FORM OF LEGAL OPINION OF BOND COUNSEL

CAPEHART SCATCHARD
ATTORNEYS AT LAW

November __, 2017

Burlington County Bridge Commission
1300 Route 73 N
Palmyra, New Jersey 08065

Re: Burlington County Bridge Commission
$_____________ County Guaranteed Bridge System
Revenue Bonds, Series 2017

Dear Commissioners:

We have acted as Bond Counsel in connection with the issuance by the Burlington County Bridge Commission (the "Commission") of its County Guaranteed Bridge System Revenue Bonds, Series 2017in the aggregate principal amount of $_____________ (the "Bonds"). The Bonds are issued pursuant to the provisions of the Self Liquidating Bridges Act, Chapter 17 of the Pamphlet Laws of 1934 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the "Act") a resolution of the Commission adopted on April 27, 1993, entitled "Bridge System Revenue Bond Resolution", as amended and supplemented (the "General Bond Resolution"), and as amended and supplemented, in particular, by a Fifth Supplemental Bridge System Revenue Bond Resolution of the Commission adopted on July 19, 2017 authorizing the issuance and sale of the Bonds (the "Fifth Supplemental Resolution" and, together with the General Bond Resolution, the "Resolution"). In accordance with the terms of the Fifth Supplemental Resolution, the Bonds have been awarded and sold to the purchaser thereof and certain determinations with respect to the Bonds have been made pursuant to a certificate duly executed by an Authorized Commission Officer on _____, 2017 (the "Award Certificate"), the execution of which was authorized pursuant to the Fifth Supplemental Resolution. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Resolution.

The Bonds are dated November __, 2017, and mature on the dates and in the amounts set forth therein and in the Award Certificate. Interest on the Bonds is payable on October 1, 2018 and semiannually thereafter on April 1 and October 1 of each year (each on "Interest Payment Date") until final maturity thereof, at the interest rates set forth in the Award Certificate. The Bonds are subject to mandatory sinking fund redemption, in the manner and upon the terms and conditions set forth therein and in the Resolution. Principal and redemption premium, if any, of the Bonds are payable by presentation and surrender thereof at the principal corporate trust office of U.S. Bank, National Association, Morristown, New Jersey (the "Trustee" and "Paying Agent"). Except as set forth below regarding payments made to Cede & Co., interest on the Bonds is payable by check or draft of the Paying Agent mailed to each registered owner of the Bonds at the address of such registered owner shown on the registration books maintained by the Trustee, in its capacity as registrar, as of the fifteenth day of the month next preceding the Interest Payment Date.

The Bonds are issued in fully registered form without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York

("DTC"), an automated depository for securities and clearinghouse for securities transactions. Purchases of the Bonds will be made in book-entry-only form (without certificates) in denominations of $5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal and redemption premium, if any, of and interest on the Bonds will be made by the Trustee or the Paying Agent, as the case may be, directly to Cede & Co., as nominee for DTC, in immediately available funds when due. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants and not the responsibility of the Commission, the Trustee or the Paying Agent.

The Bonds are being issued for the purpose of providing funds to fund (i) the 2013 Capital Program as defined in the Fourth Supplemental Bond Resolution; (ii) to fully fund the Debt Service Reserve Fund; and (iii) to pay certain costs and expenses incidental to the issuance and delivery of the Bonds (collectively the "Project").

Pursuant to a resolution adopted by the County of Burlington, New Jersey (the "County") on April 28, 1993, as amended on April 11, 2001, November 14, 2012 and October 14, 2015, the County has unconditionally and irrevocably guaranteed the payment when due of the principal of and interest on the Bonds (the "County Guaranty"). Pursuant to the terms of the Resolution, the rights of the Commission to receive payments under the terms of the County Guaranty have been assigned to the Trustee for the benefit of the holders of the Bonds.

The Commission reserves the right to issue additional bonds for the purposes and on the conditions stated in the Resolution. As provided in the Resolution, any such additional bonds may be secured equally as to security and payment with the Bonds.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including among other things: (a) evidence of the formation and organization of the Commission; (b) certified copies of the Resolution and the County Guaranty; (c) the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"); (d) a certified copy of the results and findings of the New Jersey Local Finance Board; and (e) certificates of Commission officials, County officials and the Trustee as to material factual matters, including a certificate of the Commission pursuant to the federal income tax laws and regulations applicable to the Bonds. We have also examined an authenticated Bond, and we have assumed that all other Bonds have been similarly executed by the Commission and authenticated by the Trustee. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Commission has been duly created and is validly existing as a public body corporate and politic under the provisions of the Constitution and statutes of the State of New Jersey, including the Act, with power to adopt the Resolution and to issue the Bonds.

2. The Resolution has been duly and lawfully adopted by the Commission, is in full force and effect, is valid and binding upon the Commission and is enforceable in accordance with its terms, and no other authorization for the Resolution is required.

3. The Bonds have been duly authorized and issued by the Commission in accordance with the Act and the provisions of the Resolution, are valid and binding obligations of the Commission enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the benefits of the Resolution and the Act.

4. The Resolution creates a valid pledge of the moneys, securities and Funds and other Pledged Property held or set aside under the Resolution, subject only to the application thereof by the Commission for the purposes and on the terms and conditions set forth in the Resolution.

5. The County Guaranty has been duly and lawfully adopted by the County, and is in full force and effect, is valid and binding upon the County and is enforceable in accordance with its terms and no other authorization or approval for the County Guaranty is required. Any payments which are required to be made by the County pursuant to the provisions of the County Guaranty constitute valid and binding obligations of the County and the County has the power and is obligated to levy ad valorem taxes upon all the taxable real property in the County without limitation as to rate or amount in order to raise funds for the purpose of making any payments which are required to be made under the terms of the County Guaranty if other funds are not otherwise available. The Bonds constitute obligations which are entitled to the benefits of the County Guaranty and pursuant to the terms of the County Guaranty, the County must pay amounts which are sufficient to pay the principal of and interest on the Bonds if such principal and/or interest is not paid by the Commission.

6. Assuming continuing compliance by the Commission with the provisions of the Code pertaining to the issuance of the Bonds, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under current law, and will not be treated as an item of tax preference under Section 57 of the Code for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. For certain corporate holders, interest on the Bonds is includable in adjusted current earnings for purposes of computing such holders' alternative minimum tax liability.

7. Interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally.

Other than as set forth in Paragraphs 6 and 7 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX G

FORMS OF CONTINUING DISCLOSURE FOR THE COMMISSION AND COUNTY

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT dated as of November __, 2017 (the "Disclosure Agreement") is executed by and among the Burlington County Bridge Commission (the "Commission" or the "Issuer") and U.S. Bank, National Association, Morristown, New Jersey, as Dissemination Agent (the "Dissemination Agent") in connection with the issuance of $__________ principal amount of County-Guaranteed Bridge System Revenue Bonds, Series 2017 (the "Bonds"), by the Commission.

WITNESSETH:

WHEREAS, pursuant to a Bond Purchase Contract dated _________, 2017, by and between the Commission and NW Capital Markets, as the underwriter named on the front cover page of the hereinafter defined Official Statement (collectively, the "Underwriter"), the Commission is selling the Bonds to the Underwriter; and

WHEREAS, the Bonds are authorized and issued by the Commission pursuant to the Self-Liquidating Bridges Act, constituting Chapter 17 of the Laws of 1934 of the State of New Jersey, as amended and supplemented (the "Act"), a resolution of the Commission duly adopted on April 27, 1993 entitled "Bridge System Revenue Bond Resolution" as amended and supplemented (the "General Bond Resolution"), including by a resolution duly adopted on July 19, 2017 entitled "Fifth Supplemental Bond Resolution" (the "Supplemental Bond Resolution" and together with the General Bond Resolution, the "Bond Resolution") and a certificate of the Executive Director of the Commission, dated the date of the Official Statement, exercising powers delegated by the Bond Resolution (the "Series Certificate" and together with the Bond Resolution, the "Resolution"); and

WHEREAS, the Bonds are issued to (i) provide funds for the costs of various capital improvements to the Commission's Bridge System (as defined in the Resolution); (ii) fund the Debt Service Reserve Fund; and (iii) pay costs and expenses associated with the issuance of the Bonds (collectively, the "Project"); and

WHEREAS, Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person for whom financial or operating data is presented in the final official statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain material events; and

WHEREAS, the Bonds will be payable from and are secured by the Revenues of the Bridge System (as defined in the Resolution); and

WHEREAS, the Bonds are further secured by a full and unconditional guaranty from the County to pay, when due, the principal of and interest on the Bonds; and

WHEREAS, in order to induce the Underwriter to purchase the Bonds, the Commission, as Issuer, and the County, as guarantor and under separate action, have each agreed to undertake to provide financial information and operating data required by the Rule, and the Commission will undertake to provide the notice of certain material events required by the Rule.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Commission and the Dissemination Agent, each binding itself, its successors and assigns, agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Commission and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds to assist the Underwriter in complying with the Rule. The Commission acknowledge that it and the County are each "Obligated Persons" under the Rule (as defined in the Rule) and that the Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Beneficial Owner of the Bonds, with respect to any such reports, notices or disclosures or the Rule.

SECTION 2. Definitions. Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement. The County shall provide annual financial information under a separate undertaken executed in connection with the issuance of the Bonds.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for Federal income tax purposes.

"Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Commission or the Dissemination Agent is legally authorized to close.

"Commission Disclosure Representative" shall mean the Executive Director or Deputy Executive Director of the Commission or their designee, or such other person as the Commission shall designate in writing to the Dissemination Agent from time to time for the purposes of this Disclosure Agreement.

“Dissemination Agent” shall mean U.S. Bank, National Association, Morristown, New Jersey, or any successor Dissemination Agent designated in writing by the Commission and which has filed with the Commission a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the Bonds, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board through the internet facilities of EMMA.

“Repository” shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

“Rule” shall mean Rule 15c(2)-12 promulgated and adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New Jersey.

“Trustee” shall mean the trustee appointed by the Commission under the Bond Resolution, currently the Dissemination Agent.

“Underwriter” shall mean the original underwriters of the Bonds (pursuant to the Bond Purchase Contract dated _____, 2017 between the Commission and N.W. Capital Markets, Inc, required to comply with the Rule in connection with the offering of the Bonds.

Capital terms used but not defined herein shall have the meaning set forth in the Bond Resolution.

SECTION 3. Provision of Annual Reports.

(a) (i) The Commission shall provide or cause to be provided to the Dissemination Agent no later than nine months after the end of the fiscal year of the Commission commencing with the fiscal year ending September 30, 2017 (July 30, 2018), an Annual Report of the Commission which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Commission may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Commission are not available by 270 days after the end of the fiscal year of the Commission, the Commission shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Commission, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Commission.

(ii) Not later than July 30 of each year (commencing July 30, 2018), the Dissemination Agent shall forward to the Repository a copy of the Annual Report of the Commission received by the Dissemination Agent pursuant to subsection 3(a)(i) hereof.

(iii) If the Commission does not provide an Annual Report by the applicable date required in subsection 3(a)(i) hereof such that the Dissemination Agent cannot forward the Annual Report to the Repository in accordance with subsection 3(a)(iii) hereof, the Dissemination Agent shall promptly send a notice of such event to the Repository in substantially the form attached hereto as Exhibit "A", with copies to the Commission and the Trustee (if the Dissemination Agent is not the Trustee).

(c) Each year the Dissemination Agent shall file a report with the Commission and the Trustee (if the Dissemination Agent is not the Trustee), certifying that the applicable Annual Report has been provided to the Repository pursuant to this Disclosure Agreement, stating the date it was provided.

(d) If the fiscal year of the Commission changes, the Commission shall give written notice of such change in the manner provided in Section 5 hereof.

SECTION 4. Content of Commission Annual Report. The Commission's Annual Report shall contain or incorporate by reference a copy of the annual financial statements of the Commission prepared in accordance with generally accepted accounting principles applicable to governmental units and prepared in accordance with the standards of the Governmental Accounting Standards Boards and requirements of the Division of Local Governmental Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements, and audited by a certified public accountant, or unaudited financial statements, if audited financial statements are not available (audited financial statements will subsequently be submitted when available); and (ii) certain financial information and operating data listed under the sub-headings "THE BRIDGE SYSTEM- Toll History and Current Tolls" and "THE BRIDGE SYSTEM-Summary of Historical Operation" within the Official Statement.

SECTION 5. <u>Reporting of Significant Events</u>.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Bonds, as applicable:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
7. modifications to rights of Bondholders, if material;
8. Bond calls (excluding mandatory sinking fund redemption), if material, or tender offers;
9. defeasances.
10. release, substitution or sale of property securing repayment of the Bonds;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the

termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) If the Commission determines that an occurrence of a Listed Event is material under applicable federal securities laws, the Commission shall promptly (within 10 business days) notify the Dissemination Agent in writing.

(c) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Commission Disclosure Representative, inform such person of the Listed Event, and request that the Commission promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f) hereof.

(d) Whenever the Commission obtains knowledge of the occurrence of a Listed Event because of a notice from the Dissemination Agent pursuant to subsection (c) hereof or otherwise, the Commission shall determine as soon as possible if such event would be material under applicable federal securities laws.

(e) If in response to a request under subsection (c) hereof, the Commission determines that the Listed Event would not be material under applicable federal securities laws, the Commission shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f) hereof.

(f) If the Dissemination Agent has been instructed by the Commission to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, with a copy to the Commission and the County. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection (f) any earlier than the notice (if any) of the underlying event is given to affected registered owners pursuant to the Bond Resolutions.

(g) The obligations of the Commission or the Dissemination Agent under this Disclosure Agreement to provide notice are in addition to, and not in substitution of, any obligations of the Trustee to provide notices of events of default to registered owners under the terms of the Bond Resolutions. Nothing in this Disclosure Agreement, however, is intended to modify or limit the rights of the Trustee under the Bond Resolutions to provide notices or other information as it deems necessary in the performance of its duties thereunder.

SECTION 6. <u>Termination of Reporting Obligation</u>. The Commission's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Commission is each no longer an "Obligated Person" in accordance with the Rule (as defined in the Rule) which determination shall be made by the Commission.

SECTION 7. Prior Compliance With the Rule. Except as described in the Official Statement, the Commission represents and warrants that each has not failed to comply with previous undertakings to provide secondary market disclosure pursuant to the Rule.

SECTION 8. Dissemination Agent; Compensation. The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be U.S. Bank, National Association, Morristown, New Jersey. The Commission agrees that any corporation or association into which the Dissemination Agent may be merged or to which it may sell or transfer its corporate trust business and assets, shall be and become successor Dissemination Agent hereunder without any further act, deed or conveyance. The Commission shall compensate the Dissemination Agent for the performance of its obligations hereunder in accordance with an agreed upon fee structure. The Dissemination Agent may resign its position hereunder upon sixty (60) days' prior written notice to the Trustee, the Commission and the County, which notice shall be provided in accordance with Section 14 hereof.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Dissemination Agent and the Commission may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the Commission to the effect that such amendment or waiver would not, in and of itself, cause the undertakings set forth herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) does not materially impair the interests of Bondholders, as determined either by parties unaffiliated with the Commission or any "Obligated Person" (such determination being supported by an opinion of counsel expert in Federal securities laws). The Commission shall give notice of such amendment or waiver to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 14 hereof.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Commission shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Commission. In addition, if the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report, in addition to that which is required by this Disclosure Agreement. If the Commission chooses to include any information in any Annual Report, in addition to that which is specifically required by this Disclosure Agreement, the Commission shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report.

SECTION 11. Default. In the event of a failure of the Commission to comply with any of its respective obligations under this Disclosure Agreement, the Trustee or Dissemination Agent may, upon receipt of Notice in the form attached hereto as Exhibit A or upon notification of the same by the Commission (and, at the request of the Holders of at least a majority of aggregate principal amount of Outstanding Bonds, shall), or any Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Commission, as the case may be, to comply with its respective obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Commission, as applicable, to comply with this Disclosure Agreement shall be an action to compel specific performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent and the Commission. The Dissemination Agent and the Commission shall have only such duties as are specifically set forth in this Disclosure Agreement, and, to the extent permitted by law, the Commission agrees to indemnify and hold the Dissemination Agent and their respective members, officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Commission further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Agreement. The obligations of the Commission under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Commission, the Trustee, the Dissemination Agent, the Underwriter, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) To the Commission: Burlington County Bridge Commission
1300 State Highway, Route 73
Palmyra , New Jersey 08065

Attention: Executive Director

(b) To the Dissemination Agent: TD Bank, National Association
1006 Astoria Blvd.
Cherry Hill, New Jersey 08034
Attention: Corporate Trust Department

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in any number of counterparts which shall be executed by an Authorized Commission Representative and by an authorized signatory of the Dissemination Agent, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 14. Severability. If any one or more of the covenants or agreements in this Disclosure Agreement to be performed on the part of the Commission or the Dissemination Agent should be contrary to law, then such covenant or covenants, 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 this Disclosure Agreement.

SECTION 15. Governing Law. This Disclosure Agreement shall be construed in accordance with and governed by the Laws of the United States of America and the State.

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IN WITNESS WHEREOF, the undersigned have caused this Continuing Disclosure Agreement to be executed by their duly authorized signatures as of the date first above written.

BURLINGTON COUNTY BRIDGE COMMISSION

BY: ______________________________
Authorized Officer

U.S. BANK, NATIONAL ASSOCIATION,
as Dissemination Agent

BY: ______________________________
Authorized Officer

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Burlington County Bridge Commission
Name of Bond Issue:	$______ County-Guaranteed Bridge System Revenue Bonds, Series 2014 (collectively, the "Bonds") (CUSIP Nos.__________)
Name of Obligated Person:	"Burlington County, New Jersey" or "Burlington County Bridge Commission"
Date of Issuance:	November __, 2017

NOTICE IS HEREBY GIVEN that ____________________________, one of the above designated Obligated Persons, has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Agreement dated as of November __, 2017 among the Issuer and the Dissemination Agent.

DATED: _________________________

____

_____________________, as
Dissemination Agent (on behalf of the County and the Issuer)

cc: the Commission
the County
the Trustee

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE is made as of November __, 2017 (**"Disclosure Certificate"**) by the County of Burlington, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (**"County"**).

W I T N E S S E T H:

WHEREAS, with the consent of the County, the Burlington County Bridge Commission (**"Commission"**) is issuing $___________ principal amount of County Guaranteed Bridge System Revenue Bonds, Series 2017 (**"Series 2017 Bonds"** as further identified by CUSIPS set forth on Exhibit A hereto) the proceeds of which will be used to (i) permanently finance a portion of the outstanding $54,905,000 aggregate principal amount of Commission Lease Revenue Notes (Governmental Leasing Program), Series 2016 maturing on November 16, 2017 and (ii) pay the costs and expenses associated with the issuance of the Series 2017 Bonds; and

WHEREAS, the Series 2017 Bonds are being issued pursuant to (i) the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (**"Act"**), (ii) a resolution of the Commission adopted on April 27, 1993, entitled "Bridge System Revenue Bond Resolution", as amended and supplemented (the "General Bond Resolution"), and as amended and supplemented, in particular, by a Fifth Supplemental Bridge System Revenue Bond Resolution of the Commission adopted on July 19, 2017 authorizing the issuance and sale of the Bonds (the "Fifth Supplemental Resolution" and, together with the General Bond Resolution, the "Resolution"). In accordance with the terms of the Fifth Supplemental Resolution, the Bonds have been awarded and sold to the purchaser thereof and certain determinations with respect to the Bonds have been made pursuant to a certificate duly executed by an Authorized Commission Officer on _____, 2017 (the "Award Certificate"), the execution of which was authorized pursuant to the Fifth Supplemental Resolution and (iii) a bond purchase contract, dated November __, 2017 (**"Purchase Contract"**), between the Commission and NW Capital Markets LLC. (**"Underwriter"**); and

WHEREAS, the Securities and Exchange Commission (**"SEC"**) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 *U.S.C.* 77 *et seq*.) (**"Securities Exchange Act"**), has adopted amendments to its Rule 15c2-12 (codified at 17 *C.F.R.* §240.15c2-12) (**"Rule 15c2-12"**) effective July 3, 1995 which generally prohibit a broker, dealer, or municipal securities dealer from purchasing or selling municipal securities, such as the Series 2017 Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board; and

WHEREAS, the Commission represented in the Purchase Contract that it would cause the County to deliver on the closing date for the Series 2017 Bonds a "Continuing Disclosure Certificate" pursuant to which the County will agree to provide at the times and to the persons described in Rule 15c2-12 the annual financial information and event notices required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, the execution and delivery of this Disclosure Certificate has been duly authorized by the County pursuant to the provisions of a resolution adopted by the Board of Chosen Freeholders of the County on September 27, 2017 (**"Authorizing Resolution"**) and all conditions, acts and things necessary and required to exist, to have happened, or to have been performed precedent to and in the execution and delivery of this Disclosure Certificate, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the County is executing this Disclosure Certificate for the benefit of the Holders of the Series 2017 Bonds.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the County, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Act	Rule 15c2-12
Authorizing Resolution	SEC
Disclosure Certificate	Securities Exchange Act
Commission	Series 2017 Bonds
County	Underwriter
Purchase Contract	

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

"Annual Report" means Financial Statements and Operating Data provided at least annually.

"Bondholder" or **"holder"** or any similar term, when used with reference to a Series 2017 Bond or Series 2017 Bonds, means any person who shall be the registered owner of any outstanding Series 2017 Bond, including holders of beneficial interests in the Series 2017 Bonds.

"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or in Burlington County, New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the MSRB, through the internet facilities of EMMA, pursuant to Section 2.1(e) hereof; and (iii) any notice of a Disclosure Event required to be filed with the MSRB, through the internet facilities of EMMA, pursuant to Section 2.1(d) hereof.

"Disclosure Event" means any event described in subsection 2.1(d) of this Disclosure Certificate.

"Disclosure Event Notice" means the notice to the MSRB as provided in subsection 2.4(a) of this Disclosure Certificate.

"Disclosure Representative" means each of the Treasurer and the Chief Financial Officer of the County or their respective designees, or such other officer or employee as the County shall designate from time to time.

"Dissemination Agent" means an entity acting in such capacity under this Disclosure Certificate, if any, or any other successor entity designated in writing by the County and which has filed a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the SEC, dated December 5, 2008, pursuant to which issuers, including the Commission, of tax-exempt bonds, including the Series 2017 Bonds, or an obligated person pursuant to Rule 15c2-12, including the County, shall upload Continuing Disclosure information to assist participating underwriters, including the Underwriter, in complying with Rule 15c2-12 and to provide the general public with access to such Continuing Disclosure Information.

"Final Official Statement" means the final Official Statement of the Commission, dated November __, 2017 pertaining to the Series 2017 Bonds.

"Financial Statements" means the audited financial statements of the County for each Fiscal Year and includes balance sheets, statements of changes in fund balances and statements of current funds, revenues, expenditures and other charges or statements which convey similar information.

"Fiscal Year" means the fiscal year of the County. As of the date of this Disclosure Certificate, the Fiscal Year of the County begins on January 1 and closes on December 31 of each calendar year.

"GAAS" means generally accepted auditing standards as in effect from time to time, consistently applied.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to Rule 15c2-12. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at http://emma.msrb.org.

"Operating Data" means certain financial and statistical information of the County, which for purposes of this Disclosure Certificate shall include the general financial information and operating data of the County consistent with the information set forth in Exhibit B of the Final Official Statement under the headings "TWENTY LARGEST TAXPAYERS", "COUNTY BUDGET", "TAX COLLECTIONS", "EQUALIZED VALUATIONS ON WHICH COUNTY TAXES ARE APPROPRIATED AND ANNUAL COUNTY TAX RATE", "COUNTY OF

BURLINGTON, NEW JERSEY REAL PROPERTY CLASSIFICATION", "STATEMENT OF EQUALIZED VALUATIONS FOR CONSTITUENT MUNICIPALITIES", "COUNTY OF BURLINGTON, NEW JERSEY STATEMENT OF INDEBTEDNESS", "DEBT RATIOS AND VALUATIONS", "BORROWING CAPACITY", "SCHEDULE OF COUNTY DEBT SERVICE" and "STATEMENT OF DEBT OF CONSTITUENT MUNICIPALITIES".

"State" means the State of New Jersey.

Section 1.3 Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Disclosure Certificate. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Disclosure Certificate, refer to this Disclosure Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term "or" shall be interpreted conjunctively as required to insure that the County performs any obligations, mentioned in the passage in which such term appears.

The headings of this Disclosure Certificate are for convenience only and shall not defined or limit the provisions hereof.

ARTICLE II
CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1 Continuing Disclosure Covenants of the County. The County agrees that it will provide, or shall cause the Dissemination Agent (if the County has appointed or engaged a Dissemination Agent) to provide:

(a) Not later than two hundred seventy (270) days after the end of its Fiscal Year (currently December 31) for each Fiscal Year until termination of the County's reporting obligations under this Disclosure Certificate pursuant to the provisions of Section 4.8 hereof, the Annual Report to the MSRB prepared for the preceding Fiscal Year of the County (commencing for the fiscal year ending December 31, 2017). Each Annual Report so provided shall comply with the requirements of Section 2.3 of this Disclosure Certificate but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the MSRB. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the MSRB;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a) of this Disclosure Certificate, a copy of the Annual Report to the Dissemination Agent, if the County has appointed or engaged a Dissemination Agent;

(c) If audited Financial Statements are not submitted as part of the filing as set forth in subsection 2.1(a) of this Disclosure Certificate, the County will submit unaudited financial statements with such filing, and will subsequently submit audited Financial Statements when and if available, to the MSRB;

(d) In a timely manner not in excess of ten (10) Business Days following the occurrence of any of the Disclosure Events (hereinafter defined), to the MSRB (with a copy to the Commission), notice of any of the following events with respect to the Series 2017 Bonds (each, a **"Disclosure Event"**);

(i) rating changes relating to the County;

(ii) bankruptcy, insolvency, receivership or similar event relating to the County; and

(iii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(e) In a timely manner, to the MSRB, notice of a failure by the County to provide the Annual Report within the period described in subsection 2.l(a) hereof.

Section 2.2 Continuing Disclosure Representations. The County represents and warrants that:

(a) Financial Statements shall be prepared according to principles prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey pursuant to Chapter 5 of Title 40A of the New Jersey Statutes as in effect from time to time.

(b) Financial Statements prepared annually shall be audited in accordance with GAAS.

(c) Except as disclosed in the Final Official Statement, the County has not failed to comply in any material respect with any prior continuing disclosure undertaking made by the County in accordance with Rule 15c2-12.

Section 2.3 Form of Annual Report.

(a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the County or related public entities which have been submitted to the MSRB or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the County, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities, Duties, Immunities and Liabilities of the County or Dissemination Agent.

(a) If the County or the Dissemination Agent (if one has been appointed or engaged by the County) has determined it necessary to report the occurrence of a Disclosure Event, the County or Dissemination Agent (if one has been appointed or engaged by the County) shall file a notice of such occurrence with the MSRB (each, a "**Disclosure Event Notice**") in the form provided by the County.

(b) The County or the Dissemination Agent (if one has been appointed or engaged by the County) shall file a written report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB

Section 2.5 Appointment, Removal and Resignation of the Dissemination Agent.

(a) The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carry out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

(b) The Dissemination Agent (if one has been appointed or engaged by the County) shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees to indemnify and save the Dissemination Agent (if one has been appointed or engaged by the County), its officers, directors, and employees harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The indemnification obligations of the County under this subsection 2.5(b) shall survive resignation or removal of the Dissemination Agent (if one has been appointed or engaged by the County).

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the County. Such resignation shall take effect on the date specified in such notice.

ARTICLE III
DISCLOSURE DEFAULT AND REMEDIES

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the County to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Disclosure Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

Section 3.2 Remedies on Default.

(a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the County and of the officers, agents and employees of the County which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the County under this Disclosure Certificate and may compel the County or any such officers, agents, or employees, except of the Dissemination Agent, to perform and carry out their duties under this Disclosure Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case any Bondholder shall have proceeded to enforce its rights under this Disclosure Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the County and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the County and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Disclosure Certificate shall not be deemed a default under the Series 2017 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure or refusal by the County to comply with this Disclosure Certificate shall be as set forth in subsection 3.2(a) of this Disclosure Certificate.

ARTICLE IV
MISCELLANEOUS

Section 4.1 Purposes of This Continuing Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Bondholders and in order to assist the Underwriter in complying with clause (b)(5) of Rule 15c2-12. Except as disclosed in the Final Official Statement under the caption "SECONDARY MARKET DISCLOSURE" prepared by the Commission in connection with the offering of the Series 2017 Bonds, the County covenants that it has never failed to comply in any material respect with any previous undertakings to provide secondary market disclosure pursuant to Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from (a) disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Disclosure Certificate. If the County chooses to include information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the County, County Administration Building, 49 Rancocas Road, Mount Holly, New Jersey 08060, Attention: County Treasurer.

Section 4.4 Severability. If any provision of this Disclosure Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4.5 Amendments, Changes and Modifications.

(a) Without the consent of any Bondholders, the County at any time and from time to time may enter into any amendments or modifications to this Disclosure Certificate for any of the following purposes:

(i) to add to covenants and agreements of the County hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the County by this Disclosure Certificate;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the County or to reflect changes in the identity, nature or status of the County or in the business, structure or operations of the County or any mergers, consolidations, acquisitions or dispositions made by or affecting the County; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Disclosure Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification,

provided, that prior to approving any such amendment or modification, the County determines that such amendment or modifications does not adversely affect the interests of the Holders of the Series 2017 Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Disclosure Certificate, the County shall deliver, or cause the Dissemination Agent (if one has been appointed or engaged by the County) to deliver, to the MSRB written notice of any such amendment or modification.

(c) The County shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the County to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

Section 4.6 Amendments Required by Rule 15c2-12. The County recognizes that the provisions of this Disclosure Certificate are intended to enable the Underwriter to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Disclosure Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by the Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the County to the effect that such amendment shall be permitted or necessary to assure continued compliance by the Underwriter with Rule 15c2-12, as so amended or interpreted, then the County shall amend this Disclosure Certificate to comply with and be bound by any such amendment to this Disclosure Certificate to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice to the MSRB of such amendment or modification as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Disclosure Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 4.8 Termination of County's Continuing Disclosure Obligations. The continuing obligation of the County under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section 2.1 shall terminate if and when either (a) the Series 2017 Bonds are no longer outstanding or (b) the County no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10)) with respect to the Series 2017 Bonds in either event, only after the County delivers, or causes the Dissemination Agent (if one has been appointed or engaged by the County) to deliver, to the MSRB written notice to such effect. This Disclosure Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Series 2017 Bonds are Outstanding.

Section 4.9 Binding Effect. This Disclosure Certificate shall inure to the benefit of and shall be binding upon the County and its successors and assigns.

IN WITNESS WHEREOF, THE COUNTY OF BURLINGTON, NEW JERSEY has caused this Disclosure Certificate to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

COUNTY OF BURLINGTON, NEW JERSEY

By:____
EDWARD J. TROY, Treasurer

[SEAL]

EXHIBIT A

BURLINGTON COUNTY BRIDGE COMMISSION
(Burlington County, New Jersey)

APPENDIX H

TRAFFIC AND REVENUE REPORT

Traffic and Revenue Study

October 2017

The Burlington County Bridge Commission

Burlington County Bridge Commission

CDM Smith

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Chapter 1

Introduction

This report presents the traffic and toll revenue forecasts developed by CDM Smith for Fiscal Year (FY) 2017 through FY 2027 for the Burlington County Bridge Commission's Tacony-Palmyra and Burlington-Bristol Toll Bridges. CDM Smith completed a similar study for BCBC most recently in 2015. This current comprehensive study presents a new ten-year forecast of traffic and toll revenue for the Tacony-Palmyra Bridge (TPB) and the Burlington-Bristol Bridge (BBB). The development of the new forecasts relied on the most currently available socio-economic forecasts, historic and recent traffic and toll revenue trends of both the TPB and the BBB through July 2017, and other information on capital improvements and competing toll facilities in the area.

No toll increases or discount program changes for the BCBC facilities are assumed during the projection period. An analysis of the September 2015 toll increase was conducted to estimate the impact on usage of the TPB and BBB and the resulting toll revenue. Changes in E-ZPass market share were also reviewed due to the toll differential established between the E-ZPass and Cash payment types under the new tolling policy. The forecasts also reflect any negative impacts to usage of the TPB and BBB facilities in the future due to planned maintenance or repair activities. This comprehensive traffic and revenue study was conducted at a level of study intended to support future bond issuances to fund the Commission's Capital Program.

Report Structure

This report is comprised of four chapters, including the following:

Chapter 1 (Introduction) introduces the study, presents the basic study methodology, and outlines the report structure.

Chapter 2 (TPB and BBB Traffic and Revenue Characteristics) introduces the TPB and BBB facilities and provides historical annual and monthly transaction and toll revenue trends. Information is provided on historical changes in the toll schedule of the TPB and BBB and competing toll facilities. The estimated impact on transactions, revenue, and E-ZPass market share from the most recent September 2015 toll increase for the TPB and the BBB is discussed. Also included are historical E-ZPass market share trends, average tolls, vehicle classification, and monthly and daily variations.

Chapter 3 (Corridor Growth Analysis) summarizes the methodology that was employed to estimate future growth in toll transactions on the TPB and BBB. This includes a description of the econometric analysis that was conducted to develop future normal growth estimates for each facility. A socioeconomic analysis was conducted to identify potential explanatory factors that may influence future toll transactions. A discussion of the factors, including population, employment, gross regional product, retail sales, per capita income, and fuel price trends is provided in Chapter 3.

Chapter 4 (Estimated Annual Toll Transactions and Gross Toll Revenue) presents a summary of the basic assumptions behind the forecast, including growth rates and estimates of future E-ZPass market shares. Lastly, estimated annual toll transactions and gross toll revenue are provided from fiscal years 2017 through 2027 for both the Tacony-Palmyra and Burlington-Bristol Bridges.

Chapter 2

TPB and BBB Traffic and Revenue Characteristics

This chapter describes the two toll facilities that comprise the BCBC Toll System; the Tacony-Palmyra Bridge (TPB) and the Burlington-Bristol Bridge (BBB), and presents traffic and revenue characteristics of the two facilities. This includes the current toll collection system, toll rates, and historical annual and monthly transactions and toll revenue. Other characteristics include the E-ZPass market share, vehicle class composition and presentation of monthly and daily traffic variations.

Facility Descriptions

The Burlington County Bridge Commission ("BCBC") owns and operates eight bridges, two of them are toll facilities. These include:

- **Burlington-Bristol Bridge (Toll Bridge)**
- **Tacony-Palmyra Bridge (Toll Bridge)**
- Riverside-Delanco Bridge
- Pennsauken Creek Bridge
- Route 73 Overpass
- Pompeston Creek Bridge
- Swede Run Bridge
- Twin Pipe Culvert

The two tolled facility bridges, the TPB and the BBB, cross the Delaware River north of Philadelphia, Pennsylvania and Camden, New Jersey. **Figure 2-1** shows the location of these two toll bridges, as well as other competing toll facility crossings of the Delaware River. All tolls are collected in the westbound direction only for the toll facilities shown. The current toll rate for a passenger car is shown next to each toll facility crossing. The toll rate shown for the I-276 Bridge reflects the toll rate that was put in place in January 2016 by the Pennsylvania Turnpike for this new cashless tolling point in the westbound travel direction. The passenger car E-ZPass toll rate is $5.00, while it $6.75 is charged for those paying by License Plate Tolling (LPT). Also shown is the new I-95 Interchange with the Pennsylvania Turnpike (scheduled to be opened in 2018) that will provide a movement from I-95 north to the Turnpike east and the reciprocal movement from the west on the Turnpike to the south on I-95. Toll rates on the DRPA facilities shown are $5.00 for passenger cars regardless of payment type. BCBC facilities are $3.00 for passenger cars using E-ZPass and $4.00 for passenger cars paying cash. Historically, BCBC has had the lowest toll rates to cross the Delaware River compared to both northern and southern alternatives.

The Burlington-Bristol Bridge (BBB)

The BBB is a two-lane (one lane in each direction) facility across the Delaware River, located approximately 10.5 miles upstream from the TPB. This bridge connects Burlington, New Jersey with

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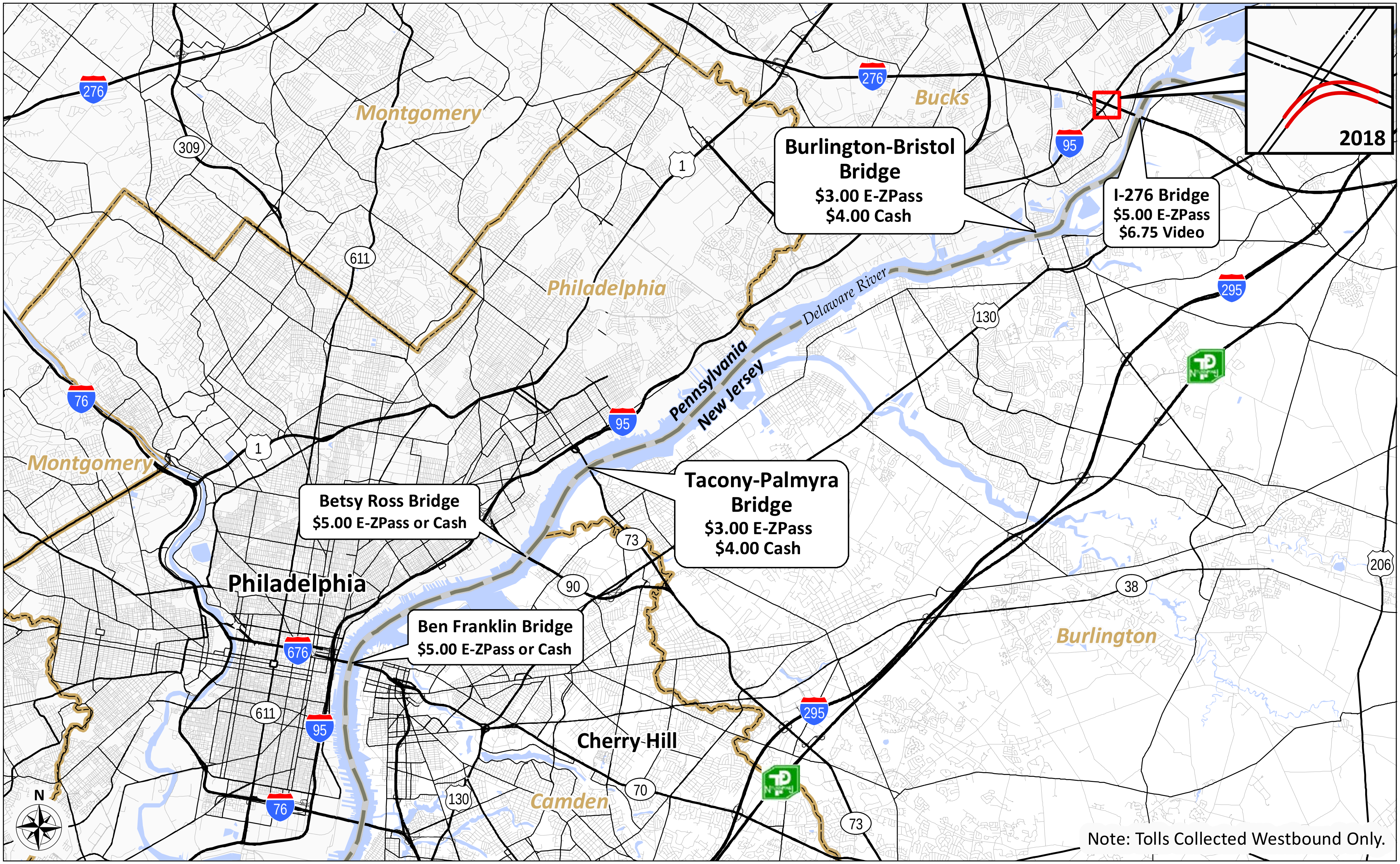


TOLL BRIDGE LOCATIONS AND PASSENGER CAR TOLL RATES

FIGURE 2-1

CDM Smith

Bristol, Pennsylvania. On the New Jersey side, the bridge is an extension of Reed Street and Keim Boulevard connecting to the Route 130 Corridor. The Route 130 Corridor is the headquarters for retail, commercial and industrial business for both Burlington and Camden counties. On the New Jersey side, I-295 is about three miles east of the bridge approach and the New Jersey Turnpike is about four miles east. I-276 crosses the Delaware River about 4 miles north of the BBB. On the Pennsylvania side, the bridge turns into Veteran Highway (Route 413). U.S. Route 13 is about one and one-quarter miles west of the bridge and I-95 is a little over two miles west. There is direct access to/from I-95 from Veterans Highway.

There is a four-lane toll plaza on the New Jersey side of the bridge. Tolls are collected in one direction, from New Jersey into Pennsylvania. There are two dedicated E-ZPass lanes in this toll plaza. E-ZPass is accepted in all other lanes. The center span of this bridge has cantilevered “lift” sections that can be raised to allow passage of marine vessels requiring a vertical clearance of more than 61 feet.

The Tacony-Palmyra Bridge (TPB)

The TPB is a three-lane facility with two lanes westbound (into Philadelphia, Pennsylvania) and one lane eastbound into New Jersey. It is located 10.5 miles downstream of the BBB. There are no other bridges in between the TPB and BBB. The TPB connects the cities of Palmyra, New Jersey and Tacony (Philadelphia), Pennsylvania. The approach road to the bridge on the New Jersey side is State Highway 73. Route 73 also provides travelers with access to the Atlantic City Expressway interchange, which serves as a connection to various New Jersey seashore points and Atlantic City. The TPB is located less than 10 miles from both Camden and center city Philadelphia. On the New Jersey side, I-295 is approximately six and three-quarter miles east of the bridge and the New Jersey Turnpike, Exit 4 is another half-mile, east, along State Highway 73. On the Pennsylvania side the bridge turns into Levick Street. While there is no direct access to/from I-95 from this bridge, access can be made via New State Road or Tacony Street.

There is a seven-lane toll plaza on the New Jersey side of the bridge which makes it convenient for the toll paying customers traveling to Pennsylvania. Tolls are collected in one direction, from New Jersey into Pennsylvania. There are three dedicated E-ZPass lanes in this toll plaza. E-ZPass is accepted in all other lanes. The TPB is a double-leaf bascule bridge with a center span that opens to allow passage of marine vessels requiring a vertical clearance of more than 61 feet.

Competing Bridges

There are two Delaware River Bridges located in the approximate vicinity of the TPB and there is one Delaware River Bridge that can be considered an alternative to the BBB.

The Betsy Ross Bridge (designated Route 90) is the competing toll bridge nearest to the TPB. It is located two and one-quarter miles downstream from the TPB. It is operated by the Delaware River Port Authority (DRPA). This bridge carries six lanes, three in each direction. Access to the Betsy Ross Bridge on the New Jersey side is made via State Highway 73 which connects with Route 130, the New Jersey Turnpike, and I-295. The Betsy Ross provides direct access to/from both northbound and southbound I-95 on the Pennsylvania side of the Delaware River and direct local access via Richmond Street.

Tolls are collected in the westbound direction towards Pennsylvania. The current passenger car toll is $5.00 for both cash and E-ZPass. This was increased from $4.00, in July of 2011. In September 2008, the toll was increased from $3.00 to $4.00 and the E-ZPass discount was eliminated. In January 2000, the passenger car toll was increased from $2.00 to $3.00 for cash and to $2.70 for E-ZPass.

The Ben Franklin Bridge (I-676) is four miles downstream from the Betsy Ross Bridge. It is also a tolled bridge with seven lanes, four eastbound and three westbound. Access to the bridge on the New Jersey side is from U.S. 30 or I-676 from I-76. On the Pennsylvania side, local access is from the Vine Street Expressway, Race Street and North 5th Street. The Vine Street Expressway provides direct access to and from the Philadelphia downtown. There is direct access to I-95 north, from the bridge, via the Vine Street Expressway. There is no direct access from the bridge to I-95 southbound and no direct access to the bridge from I-95 northbound. This bridge is also operated by the DRPA and has the same toll fare structure as the Betsy Ross Bridge.

The I-276 Bridge, located 3.25 miles upstream from the BBB, is its nearest and only major competing bridge. It connects the New Jersey Turnpike and U.S. Route 130 to the Pennsylvania Turnpike and U.S. Route 13. On the New Jersey side, the only local access to the I-276 Bridge is from U.S. Route 130. On the Pennsylvania side, the only local access is to/from U.S. Route 13. Currently, there is no direct connection from the I-276 Bridge to I-95. A new interchange with I-95 is presently under construction and is planned to be opened in 2018, which will allow movements to and from the east on I-276. To help support the cost of the new I-95 connection, a new westbound cashless tolling location was implemented on the I-276 Bridge by the Pennsylvania Turnpike. This new cashless tolling location charges a $5.00 toll for passenger cars equipped with an E-ZPass transponder and a $6.75 toll for cars that will be billed via their license plate capture. It is likely that the Pennsylvania Turnpike Authority will continue to increase their tolls annually in the 4 to 6 percent range in the near term.

Toll Collection

This section presents information on the current toll schedule and accepted methods of payment.

Toll Schedule and Methods of Payment

The TPB and BBB have the same toll structures and accept cash and E-ZPass for toll payments. Both toll roads have a toll schedule for the following vehicle classes as shown in **Table 2-1**. Prior to September 15, 2015, toll rates did not differ between E-ZPass and cash payment methods for each of the vehicle classes. In instituting the toll increase of 2015, the BCBC now offers a discounted toll rate to passenger vehicles (Class 1, 2, 3, and 4) equipped with an E-ZPass transponder. Currently, the toll rate for a passenger car (Class 1) paying with E-ZPass is $3.00, while a cash transaction is $4.00. Prior to this toll rate change, the toll rate for both payment types was $2.00. The percent increase for each payment type is shown to the right of the toll rates. Class 1 vehicles utilizing an E-ZPass transponder experienced a 50 percent toll increase, while those continuing to pay cash experienced a 100 percent toll increase. Toll rates for commercial vehicles increased by 33 percent regardless of payment type.

Historical Transactions and Gross Toll Revenue

In general, BCBC toll traffic has been relatively stable and predictable, and has been most influenced over time by toll increases on the TPB and BBB and by the DRPA and Pennsylvania Turnpike toll facilities. There have been periodic toll increases on the two BCBC toll bridges. Passenger car tolls were raised from $0.05 to $0.10 in July 1975; to $0.25 in March 1982; to $0.50 in January 1990; to $1.00 (in conjunction with conversion to one-way tolling); to $2.00 in March 2000; and to $4.00 for cash users and $3.00 for E-ZPass users on September 15, 2015.

Table 2-1

Burlington Bristol Bridge and Tacony Palmyra Bridge Toll Rate Changes and Comparison

Vehicle Class	Description	Previous Toll Rate (1)	Current E-ZPass Rate (2)	Current Cash Rate (2)	E-ZPass % Increase	Cash % Increase
Class 1	PC, Van, Motorcycle, Light Truck	$ 2.00	$ 3.00	$ 4.00	50%	100%
Class 2	Two Axle Bus/RV/Dual-wheel Pickup Truck	$ 4.50	$ 5.00	$ 6.00	11%	33%
Class 3	Three Axle Bus/RV	$ 6.75	$ 8.00	$ 9.00	19%	33%
Class 5	Two Axle Truck	$ 9.00	$ 12.00	$ 12.00	33%	33%
Class 6	Three Axle Truck	$ 13.50	$ 18.00	$ 18.00	33%	33%
Class 7	Four Axle Truck	$ 18.00	$ 24.00	$ 24.00	33%	33%
Class 8	Five Axle Truck	$ 22.50	$ 30.00	$ 30.00	33%	33%
-	Six Axle Truck	$ 27.00	$ 36.00	$ 36.00	33%	33%
Class 4	Per Each Additional Axle Being Pulled by Class 1, 2, 3	$ 1.50	$ 2.00	$ 3.00	33%	100%
Class 9	Per Each Additional Axle Being Pulled by Class 5, 6, 7, 8	$ 4.50	$ 6.00	$ 6.00	33%	33%

(1) Previous toll rate effictive March 1, 2000
(2) Current toll rate effective September 15, 2015

Source: BCBC

Competing bridges have also instituted toll increases. The DPRA has increased tolls in 2000, 2008 and again in 2011. The Pennsylvania Turnpike has also had toll increases making travel over the Delaware River via I-276 more expensive. These toll increases (both on and off BCBC facilities) have positively impacted traffic and toll revenues on the BCBC bridges. The most recent toll increase on the BCBC facilities was implemented on September 15, 2015 as discussed in the previous section of the report.

Annual Toll Transactions and Revenue - Table 2-2 shows annual toll transactions and toll revenue for the BBB and the TPB from FY1993 through FY2016. Under normal conditions (no significant bridge maintenance/repairs, no toll increases on BCBC or competitors' bridges, or recessions), toll transactions are typically stable with modest growth. Footnotes in the table indicate when toll increases occurred on the BCBC facilities or competing toll crossings.

Annual transactions on the BBB from 1993 to 2015 have decreased by an average annual rate of 0.40 percent per year. Transactions significantly decreased in 2000 (4.6 percent) and in 2001 (additional 8.6 percent) due to a toll increase on BCBC facilities in March of 2000, which was five months into FY 2000. The average toll in 2001 as a result of the toll increase was 89 percent higher than the average toll in 1999, resulting in nearly 65 percent more revenue. The calculated approximate toll elasticity for the BBB was about -0.15 which is in the typical range for toll elasticity of bridge crossings.

In FY 2016, BBB transactions decreased by 4.7 percent over FY 2015 levels due to the toll increase. The average toll increased by nearly 58 percent. The calculated toll elasticity for the BBB is about -0.08, which is in the range of toll bridge, particularly when considering the relatively local nature of travel on the BBB and that the other competing toll facility (I-276) is costlier to traverse. An elasticity of -0.08 means that for each 1 percent increase in tolls, traffic would be expected to decrease by 0.08 percent.

In 2004, the Pennsylvania Turnpike had a significant toll increase which resulted in additional traffic to the BBB during FY 2004 and FY 2005. Following the recessionary impacts of 2008 and 2009, the Pennsylvania Turnpike had another toll increase in 2009 which resulted in additional traffic growth to the BBB during FY 2010. Additional toll increases on the Pennsylvania Turnpike have been implemented in 2011, 2012, 2013, and 2014 which may have pushed some additional traffic to the BBB, particularly truck traffic which has been significantly up on the BBB since the recession. Some of that uptick in truck traffic can be attributed to the fact that truck traffic was severely impacted by the great recession in 2008 and 2009 and experienced a rebound with continued positive growth since 2009, approaching the highs experienced in 2006. The truck traffic interaction with the Pennsylvania Turnpike can be seen with the growth in the average toll following the 2004 Pennsylvania Turnpike toll increase and then another period of growth in the average toll over the last five years as the Turnpike instituted modest annual toll increases. Annual toll revenue reached more than $10 million on the BBB for the first time in 2013. For FY 2016, toll revenue increased by nearly 51 percent to $15.4 million over FY 2015 due to the September 2015 toll increase.

On the TPB, transactions increased at an average annual rate of 0.2 percent per year from 1993 to 2015. In 1996 and 1997, there were significant drops in TPB transactions due to a re-decking project on the bridge that required lane closures. Traffic returned in 1998, 1999, and 2000, before the toll increase on TPB in March of 2000. A DRPA toll increase from $2.00 to $3.00 occurred in January 2000 followed by the BCBC toll increase from $1.00 to $2.00. Since these two events happened very close together, the expected increase of traffic to the TPB from the DRPA toll increase was likely dampened

Table 2-2
Annual Toll Transaction and Revenue Trends

	Burlington Bristol Bridge					Tacony - Palmyra Bridge					Total System				
Fiscal Year (1)	Transactions	Percent Change Over Prior Year	Revenue	Percent Change Over Prior Year	Average Toll Per Vehicle	Transactions	Percent Change Over Prior Year	Revenue	Percent Change Over Prior Year	Average Toll Per Vehicle	Transactions	Percent Change Over Prior Year	Revenue	Percent Change Over Prior Year	Average Toll Per Vehicle
1993	4,598,242		$ 5,353,455		$ 1.16	9,743,314		$ 11,784,448		$ 1.21	14,341,556		$ 17,137,903		$ 1.19
1994	4,415,795	(4.0)	5,147,101	(3.9)	1.17	9,484,083	(2.7)	11,216,234	(4.8)	1.18	13,899,878	(3.1)	16,363,335	(4.5)	1.18
1995	4,561,586	3.3	5,343,709	3.8	1.17	9,913,275	4.5	11,533,055	2.8	1.16	14,474,861	4.1	16,876,764	3.1	1.17
1996 (2)	4,376,296	(4.1)	5,133,135	(3.9)	1.17	8,366,978	(15.6)	9,701,603	(15.9)	1.16	12,743,274	(12.0)	14,834,738	(12.1)	1.16
1997 (2)	4,454,020	1.8	5,251,958	2.3	1.18	7,684,872	(8.2)	8,758,846	(9.7)	1.14	12,138,892	(4.7)	14,010,804	(5.6)	1.15
1998	4,486,960	0.7	5,239,221	(0.2)	1.17	8,618,025	12.1	9,811,856	12.0	1.14	13,104,985	8.0	15,051,077	7.4	1.15
1999	4,508,430	0.5	5,223,411	(0.3)	1.16	9,249,024	7.3	10,515,410	7.2	1.14	13,757,454	5.0	15,738,821	4.6	1.14
2000 (3), (4)	4,303,052	(4.6)	7,509,045	43.8	1.75	9,632,518	4.1	16,839,068	60.1	1.75	13,935,570	1.3	24,348,112	54.7	1.75
2001	3,933,079	(8.6)	8,594,215	14.5	2.19	8,826,569	(8.4)	19,127,600	13.6	2.17	12,759,648	(8.4)	27,721,815	13.9	2.17
2002	3,884,449	(1.2)	8,494,703	(1.2)	2.19	8,796,379	(0.3)	18,941,417	(1.0)	2.15	12,680,828	(0.6)	27,436,120	(1.0)	2.16
2003	3,849,986	(0.9)	8,563,505	0.8	2.22	8,554,960	(2.7)	18,520,847	(2.2)	2.16	12,404,946	(2.2)	27,084,352	(1.3)	2.18
2004 (5)	4,083,945	6.1	9,254,579	8.1	2.27	8,695,007	1.6	19,095,578	3.1	2.20	12,778,952	3.0	28,350,157	4.7	2.22
2005	4,218,781	3.3	9,700,238	4.8	2.30	8,737,683	0.5	19,279,509	1.0	2.21	12,956,464	1.4	28,979,747	2.2	2.24
2006	4,214,094	(0.1)	9,821,261	1.2	2.33	8,699,308	(0.4)	19,189,443	(0.5)	2.21	12,913,402	(0.3)	29,010,704	0.1	2.25
2007	4,238,255	0.6	9,803,958	(0.2)	2.31	8,715,740	0.2	19,252,349	0.3	2.21	12,953,995	0.3	29,056,307	0.2	2.24
2008 (6)	4,164,853	(1.7)	9,587,580	(2.2)	2.30	8,364,245	(4.0)	18,517,517	(3.8)	2.21	12,529,098	(3.3)	28,105,097	(3.3)	2.24
2009 (7)	4,147,184	(0.4)	9,380,982	(2.2)	2.26	9,552,046	14.2	21,215,666	14.6	2.22	13,699,230	9.3	30,596,648	8.9	2.23
2010	4,234,615	2.1	9,634,726	2.7	2.28	9,365,140	(2.0)	20,817,941	(1.9)	2.22	13,599,755	(0.7)	30,452,666	(0.5)	2.24
2011 (8)	4,247,099	0.3	9,683,447	0.5	2.28	9,633,389	2.9	21,584,260	3.7	2.24	13,880,488	2.1	31,267,707	2.7	2.25
2012	4,344,132	2.3	9,965,974	2.9	2.29	10,423,668	8.2	23,599,232	9.3	2.26	14,767,800	6.4	33,565,205	7.3	2.27
2013	4,344,221	0.0	10,137,427	1.7	2.33	10,217,754	(2.0)	23,519,987	(0.3)	2.30	14,561,975	(1.4)	33,657,414	0.3	2.31
2014	4,271,352	(1.7)	10,045,651	(0.9)	2.35	9,926,291	(2.9)	22,866,957	(2.8)	2.30	14,197,643	(2.5)	32,912,607	(2.2)	2.32
2015 (9)	4,220,978	(1.2)	10,201,245	1.5	2.42	10,158,621	2.3	24,166,476	5.7	2.38	14,379,599	1.3	34,367,720	4.4	2.39
2016	4,021,333	(4.7)	15,377,899	50.7	3.82	9,376,438	(7.7)	36,108,696	49.4	3.85	13,397,771	(6.8)	51,486,595	49.8	3.84
Average Annual Percent Change:															
1993 - 2015 (22 years)		(0.4)		3.0			0.2		3.3			0.0		3.2	
2000 - 2015 (15 years)		(0.1)		2.1			0.4		2.4			0.2		2.3	
2005 - 2015 (10 years)		0.0		0.5			1.5		2.3			1.0		1.7	
2010 - 2015 (5 years)		(0.1)		1.1			1.6		3.0			1.1		2.4	
2012 - 2015 (3 years)		(1.0)		0.8			(0.9)		0.8			(0.9)		0.8	
2015 - 2016		(4.7)		50.7			(7.7)		49.4			(6.8)		49.8	

(1) Fiscal Year begins October 1 and ends September 30.
(2) In 1996 and 1997, there were significant drops in Tacony Palmyra Bridge transactions due to a re-decking project on the bridge that required lane closures.
(3) DRPA toll increase January, 2000.
(4) BCBC toll increase March 1, 2000.
(5) Penn Turnpike major toll increase on August 1, 2004.
(6) DRPA toll increase September 14, 2008.
(7) Penn Turnpike major toll increase on January 4, 2009.
(8) DRPA toll increase July 1, 2011.
(9) BCBC toll increase September 15, 2015.

Source: BCBC

by the BCBC toll increase. From 2001 to 2007, transactions were relatively flat (average annual rate of -0.2 percent per year). The DRPA had a 33 percent toll increase in 2008, followed by a 25 percent toll increase in 2011. These toll increases resulted in a shift of vehicles from the Betsy Ross Bridge and perhaps the DRPA's Ben Franklin Bridge to the TPB. It appeared that some of these vehicles returned to the DRPA bridge(s) for a short time in 2010 as transactions on the TPB dropped 2.0 percent during that short time. In 2011, the DRPA again instituted a toll increase which contributed to an 11.1 percent increase in transactions on the TPB over 2011 and 2012. In 2013 and 2014, some of this traffic likely returned to the DRPA facilities as the TPB experienced a 4.9 percent decline in transactions. In fiscal year 2015, TPB had a 2.3 percent increase in transactions. The average toll on the TPB has also seen a significant increase since 2008 as growth in truck traffic has heavily outpaced growth in passenger vehicle usage.

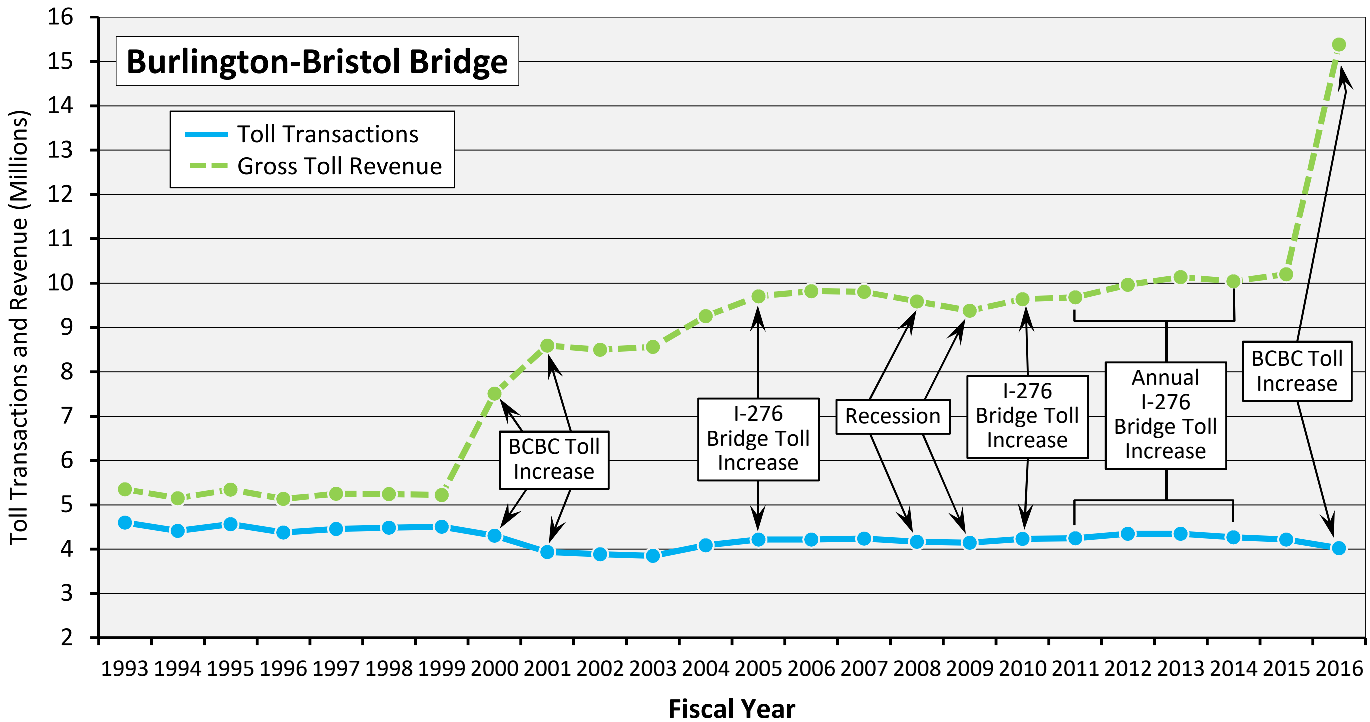
In 2016, TPB transactions decreased by 7.7 percent over 2015 levels due to the toll increase. The average toll increased by nearly 62 percent. The calculated toll elasticity for the TPB is about -0.125. This is somewhat higher than estimated for the BBB for this past toll increase as it has more competition from other crossings and has shown in the past to have interplay with the Betsy Ross Bridge demand. In addition, the Pennsylvania DOT (PennDOT) is working on a long-term, multi-phase infrastructure program to improve and rebuild Interstate 95. PennDOT is actively working on five projects that will reconstruct, widen and improve approximately eight miles of I-95 between Interstate 676 and Cottman Avenue north of Center City Philadelphia over the next decade. This major widening and construction program may be causing disruptions in traffic patterns. Given the usage and reliance of cell phone navigation and navigation tools within vehicles, rerouting among the various Delaware River crossing may occur if construction activities continue to inhibit smooth travel along this portion of I-95.

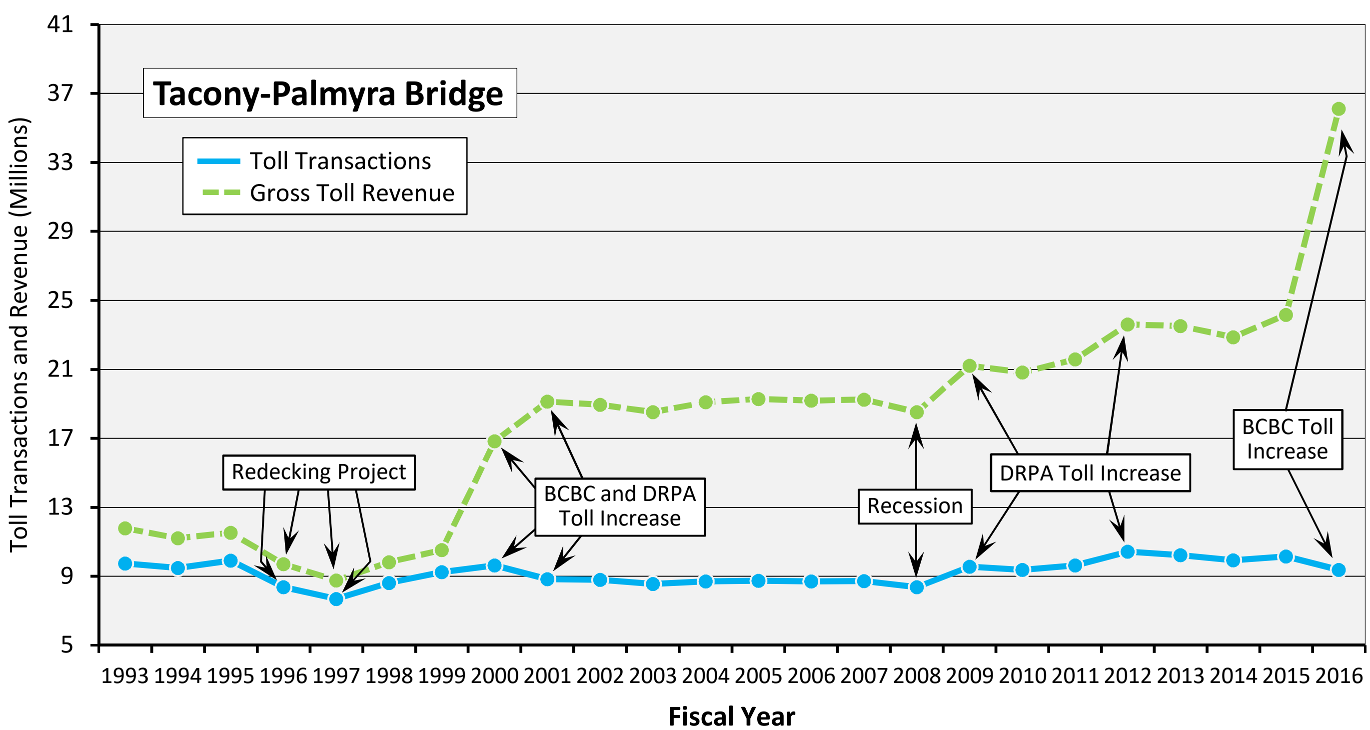
Even if all the transaction reduction in FY 2016 on the TPB was attributable to the toll increase, the calculated elasticity is well within the expected range for a toll bridge. FY 2016 toll revenue on the TPB increased by 49.4 percent over FY 2015 due to the September 2015 toll increase. System toll revenue increased to $51.5 million in FY 2016, nearly a 50 percent increase over FY 2015 revenue.

Figure 2-2 graphically charts the historical annual toll transaction and revenue trend for the BBB and the TPB. Significant toll increases or other events impacting traffic and revenue are noted on the figure. Notice the significant increase in toll revenue for FY 2016, while transactions show a relatively small decrease in comparison.

Monthly Toll Transactions - Table 2-3 shows monthly transactions for Fiscal Year 2012 through July of 2017 for the BBB, TPB, and combined. On the BBB, results have been mixed with a high reach in FY 2013, followed by negative growth in 2014, 2015, and 2016. The months of April and May during 2016 experienced more than a 10 percent reduction in transactions over 2015 levels, which can be attributed mostly to the toll increase instituted on September 15, 2015. FY 2017 through July 2017 has seen a 2.0 percent increase in transactions when compared to the same months of FY 2016, due to the significant increase in transactions during the months of January and February 2017. The large increase in BBB transactions during this timeframe was a result of the closure of the Delaware River Toll Bridge connecting the New Jersey Turnpike and the Pennsylvania Turnpike. This Bridge was closed between January 20, 2017 through March 9, 2017. Without this closure, transaction growth on the BBB would be negative year to date. Usage of the BBB may also be slightly influenced by the 95revive construction.

The TPB has also seen mixed results, with a positive increase of 2.3 percent in transactions during FY 2015, followed by a 7.7 percent decrease during FY 2016 following the September 2015 toll increase. FY 2017 through July 2017 has seen a significant drop of 7.4 percent in transactions which could be attributable to the construction activities and improvements associated with 95revive project.





BCBC ANNUAL TOLL TRANSACTION AND REVENUE TRENDS

FIGURE 2-2

Table 2-3
Historical Toll Transaction Trends By Month
Burlington County Bridge Commission

Burlington Bristol Bridge

Month	FY 2012	Percent Change	FY 2013	Percent Change	FY 2014	Percent Change	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017
October	367,054	(3.8)	353,022	7.2	378,486	(6.7)	353,105	(0.3)	351,911	(3.6)	339,303
November	353,079	(1.1)	349,033	(0.6)	346,922	(6.1)	325,909	0.2	326,504	(1.3)	322,395
December	363,087	(4.3)	347,374	(1.9)	340,624	2.4	348,632	(3.4)	336,673	(3.3)	325,516
January	341,063	1.5	346,070	(7.0)	321,694	(0.2)	321,186	(6.0)	301,987	12.1	338,644
February	326,529	(1.7)	321,115	(7.6)	296,556	2.8	304,942	1.0	307,904	18.3	364,361
March	370,714	(1.3)	365,980	(3.8)	352,078	(1.6)	346,354	0.1	346,687	0.5	348,454
April	356,929	4.0	371,255	(2.3)	362,828	0.9	366,231	(10.9)	326,393	0.4	327,719
May	377,502	2.1	385,288	(2.1)	377,200	0.8	380,076	(10.4)	340,371	1.4	345,084
June	377,159	(0.5)	375,087	0.7	377,843	(3.5)	364,804	(3.6)	351,740	(1.3)	347,042
July	374,646	1.0	378,241	0.5	380,261	(0.8)	377,369	(8.7)	344,610	(0.7)	342,108
August	381,389	2.0	389,131	(3.5)	375,526	1.4	380,691	(7.8)	351,089	-	N/A
September	354,981	2.2	362,625	(0.4)	361,334	(2.7)	351,679 (1)	(4.6)	335,464	-	N/A
TOTAL	4,344,132	0.0	4,344,221	(1.7)	4,271,352	(1.2)	4,220,978	(4.7)	4,021,333	2.0 (2)	3,400,626

Tacony Palmyra Bridge

Month	FY 2012	Percent Change	FY 2013	Percent Change	FY 2014	Percent Change	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017
October	873,379	(2.8)	848,933	1.5	861,464	1.8	876,589	(6.2)	821,940	(7.0)	764,354
November	847,527	0.4	850,999	(4.0)	817,220	(1.3)	806,964	(5.6)	762,082	(5.8)	718,004
December	888,133	(4.2)	851,254	(4.5)	812,935	4.6	850,406	(6.8)	792,761	(8.1)	728,622
January	824,959	0.3	827,528	(11.0)	736,609	3.5	762,210	(9.2)	691,835	(1.2)	683,815
February	814,599	(6.2)	763,893	(9.4)	691,791	5.2	728,068	(2.2)	712,133	(5.9)	670,290
March	887,876	(0.7)	881,677	(4.9)	838,871	(2.4)	818,498	(0.9)	811,162	(11.8)	715,083
April	857,106	3.7	888,399	(3.4)	858,325	0.8	864,906	(7.6)	799,193	(9.0)	727,264
May	896,057	2.1	914,568	(2.4)	892,256	1.5	905,721	(9.4)	820,523	(8.1)	754,462
June	888,334	(0.5)	883,674	(6.2)	829,174	7.4	890,938	(8.0)	819,802	(7.2)	760,400
July	882,301	0.8	888,924	(2.2)	869,551	3.8	902,898	(12.4)	791,377	(8.4)	725,078
August	905,630	(13.6)	782,644	12.4	879,401	4.6	919,794	(12.4)	805,790	-	N/A
September	857,767	(2.6)	835,261	0.4	838,694	(0.8)	831,629 (1)	(10.1)	747,840	-	N/A
TOTAL	10,423,668	(2.0)	10,217,754	(2.9)	9,926,291	2.3	10,158,621	(7.7)	9,376,438	(7.4) (2)	7,247,372

Total System

Month	FY 2012	Percent Change	FY 2013	Percent Change	FY 2014	Percent Change	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017
October	1,240,433	(3.1)	1,201,955	3.2	1,239,950	(0.8)	1,229,694	(4.5)	1,173,851	(6.0)	1,103,657
November	1,200,606	(0.0)	1,200,032	(3.0)	1,164,142	(2.7)	1,132,873	(3.9)	1,088,586	(4.4)	1,040,399
December	1,251,220	(4.2)	1,198,628	(3.8)	1,153,559	3.9	1,199,038	(5.8)	1,129,434	(6.7)	1,054,138
January	1,166,022	0.6	1,173,598	(9.8)	1,058,303	2.4	1,083,396	(8.3)	993,822	2.9	1,022,459
February	1,141,128	(4.9)	1,085,008	(8.9)	988,347	4.5	1,033,010	(1.3)	1,020,037	1.4	1,034,651
March	1,258,590	(0.9)	1,247,657	(4.5)	1,190,949	(2.2)	1,164,852	(0.6)	1,157,849	(8.1)	1,063,537
April	1,214,035	3.8	1,259,654	(3.1)	1,221,153	0.8	1,231,137	(8.6)	1,125,586	(6.3)	1,054,983
May	1,273,559	2.1	1,299,856	(2.3)	1,269,456	1.3	1,285,797	(9.7)	1,160,894	(5.3)	1,099,546
June	1,265,493	(0.5)	1,258,761	(4.1)	1,207,017	4.0	1,255,742	(6.7)	1,171,542	(5.5)	1,107,442
July	1,256,947	0.8	1,267,165	(1.4)	1,249,812	2.4	1,280,267	(11.3)	1,135,987	(6.1)	1,067,186
August	1,287,019	(9.0)	1,171,775	7.1	1,254,927	3.6	1,300,485	(11.0)	1,156,879	-	N/A
September	1,212,748	(1.2)	1,197,886	0.2	1,200,028	(1.4)	1,183,308 (1)	(8.5)	1,083,304	-	N/A
TOTAL	14,767,800	(1.4)	14,561,975	(2.5)	14,197,643	1.3	14,379,599	(6.8)	13,397,771	(4.6) (2)	10,647,998

(1) BCBC toll increase September 15, 2015.
(2) Percent change calculation includes October thru July for FY17 versus FY16 comparison.
N/A = Not Available.
Source: BCBC

Monthly Toll Revenue - Table 2-4 shows monthly toll revenue for Fiscal Year 2012 through 2017 for the BBB, TPB, and combined. Toll revenue will generally follow the transaction growth patterns above, except that resultant toll revenue is influenced by whether cars and trucks had different transaction impacts. For example, toll revenue in January and February 2017 had growth of 17.6 and 35.0 percent respectively as compared to those same months during 2016, while transaction growth for those same months was 12.2 and 18.4 percent. This indicates that the higher usage of transactions during these two months on the BBB was heavily skewed toward trucks which is consistent with the DRTB closure and the truck usage of that facility. Toll revenue reached a new high in 2016 for the total system at $51.5 million. FY 2017 is trending lower than FY 2016, due to the drop off on the TPB.

Table 2-4
Historical Toll Revenue Trends By Month
Burlington County Bridge Commission

Burlington Bristol Bridge

Month	FY 2012	Percent Change	FY 2013	Percent Change	FY 2014	Percent Change	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017
October	842,651	(3.0)	817,629	9.6	895,727	(6.6)	836,307	62.8	1,361,402	(4.8)	1,295,631
November	811,437	(0.1)	810,366	(0.2)	808,805	(6.1)	759,390	66.2	1,261,937	(2.9)	1,225,026
December	826,491	(4.1)	792,256	0.0	792,539	2.8	814,880	58.8	1,293,822	(5.2)	1,225,923
January	774,900	3.4	801,068	(6.2)	751,789	(0.0)	751,629	52.3	1,144,991	17.6	1,346,636
February	740,389	0.4	742,994	(6.9)	691,659	3.0	712,436	64.6	1,172,373	35.0	1,582,288
March	844,341	(0.2)	842,818	(2.4)	822,972	(1.1)	813,912	62.7	1,324,293	5.7	1,399,361
April	815,351	6.5	868,133	(1.7)	853,731	1.3	865,182	44.1	1,246,832	(0.7)	1,237,488
May	870,684	4.4	908,588	(2.1)	889,713	0.6	894,980	45.2	1,299,163	0.5	1,305,163
June	871,220	1.3	882,559	1.2	893,376	(2.9)	867,685	54.9	1,343,978	(2.2)	1,314,622
July	862,831	3.3	890,913	1.2	901,921	(1.4)	889,679	47.5	1,312,115	(1.7)	1,289,857
August	888,175	3.9	922,997	(4.1)	885,606	1.3	897,384	49.6	1,342,225	-	N/A
September	817,505	4.8	857,106	0.1	857,815	28.0	1,097,781 (1)	16.1	1,274,768	-	N/A
TOTAL	9,965,974	1.7	10,137,427	(0.9)	10,045,651	1.5	10,201,245	50.7	15,377,899	3.6 (2)	13,221,995

Tacony Palmyra Bridge

Month	FY 2012	Percent Change	FY 2013	Percent Change	FY 2014	Percent Change	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017
October	1,971,099	(1.6)	1,940,421	2.4	1,987,315	2.1	2,029,247	57.1	3,187,310	(7.9)	2,936,808
November	1,919,076	1.7	1,952,141	(4.6)	1,862,023	(0.6)	1,850,568	59.4	2,949,491	(6.4)	2,761,210
December	1,995,070	(3.5)	1,925,820	(3.6)	1,855,688	5.1	1,951,222	56.1	3,045,970	(8.7)	2,780,626
January	1,864,456	1.6	1,893,779	(10.1)	1,702,094	3.3	1,758,545	50.3	2,643,526	(0.7)	2,623,957
February	1,843,842	(4.7)	1,756,825	(9.1)	1,596,141	5.6	1,686,039	61.8	2,727,539	(4.8)	2,595,329
March	2,013,303	0.6	2,025,743	(4.6)	1,933,475	(1.7)	1,901,553	64.2	3,122,798	(12.0)	2,748,378
April	1,939,688	5.7	2,049,893	(3.5)	1,978,930	1.9	2,015,931	52.9	3,081,587	(10.0)	2,773,843
May	2,032,698	3.8	2,109,528	(2.6)	2,054,911	1.9	2,094,839	50.8	3,158,967	(8.5)	2,890,986
June	2,016,232	1.1	2,037,765	(5.9)	1,917,497	8.5	2,080,327	52.0	3,161,115	(7.5)	2,925,162
July	1,997,353	4.4	2,085,737	(3.4)	2,014,184	4.1	2,095,972	45.5	3,048,910	(9.1)	2,771,311
August	2,066,041	(11.6)	1,825,787	11.0	2,026,601	5.2	2,132,911	45.6	3,105,523	-	N/A
September	1,940,377	(1.2)	1,916,551	1.1	1,938,100	32.6	2,569,325 (1)	11.9	2,875,960	-	N/A
TOTAL	23,599,232	(0.3)	23,519,987	(2.8)	22,866,957	5.7	24,166,476	49.4	36,108,696	(7.7) (2)	27,807,610

Total System

Month	FY 2012	Percent Change	FY 2013	Percent Change	FY 2014	Percent Change	FY 2015	Percent Change	FY 2016	Percent Change	FY 2017
October	2,813,750	(2.0)	2,758,050	4.5	2,883,042	(0.6)	2,865,554	58.7	4,548,712	(7.0)	4,232,439
November	2,730,513	1.2	2,762,507	(3.3)	2,670,828	(2.3)	2,609,958	61.4	4,211,428	(5.3)	3,986,236
December	2,821,561	(3.7)	2,718,076	(2.6)	2,648,226	4.5	2,766,101	56.9	4,339,792	(7.7)	4,006,549
January	2,639,355	2.1	2,694,847	(8.9)	2,453,883	2.3	2,510,174	50.9	3,788,517	4.8	3,970,593
February	2,584,231	(3.3)	2,499,819	(8.5)	2,287,800	4.8	2,398,475	62.6	3,899,912	7.1	4,177,617
March	2,857,644	0.4	2,868,561	(3.9)	2,756,447	(1.5)	2,715,464	63.8	4,447,091	(6.7)	4,147,739
April	2,755,038	5.9	2,918,026	(2.9)	2,832,661	1.7	2,881,113	50.2	4,328,419	(7.3)	4,011,331
May	2,903,382	4.0	3,018,116	(2.4)	2,944,625	1.5	2,989,819	49.1	4,458,130	(5.9)	4,196,149
June	2,887,452	1.1	2,920,323	(3.7)	2,810,872	4.9	2,948,012	52.8	4,505,093	(5.9)	4,239,784
July	2,860,184	4.1	2,976,649	(2.0)	2,916,105	2.4	2,985,650	46.1	4,361,025	(6.9)	4,061,168
August	2,954,216	(7.0)	2,748,784	5.9	2,912,206	4.1	3,030,296	46.8	4,447,748	-	N/A
September	2,757,882	0.6	2,773,657	0.8	2,795,914	31.2	3,667,106 (1)	13.2	4,150,728	-	N/A
TOTAL	33,565,205	0.3	33,657,414	(2.2)	32,912,607	4.4	34,367,720	49.8	51,486,595	(4.3) (2)	41,029,605

(1) BCBC toll increase September 15, 2015.
(2) Percent change calculation includes October thru July for FY17 versus FY16 comparison.
N/A = Not Available.
Source: BCBC

Historical Trends in E-ZPass Market Share - Table 2-5 shows the annual share of passenger vehicles and commercial vehicles paying tolls with an E-ZPass Transponder for the BBB and the TPB. In 12 years for the BBB, E-ZPass market share has increased from 31.1 percent in 2005 to 66.5 percent in 2017. The passenger vehicle E-ZPass share had a remarkable increase (as was expected) during FY 2016 due to the September 2015 toll increase and Cash and E-ZPass toll differential that was implemented. Notice that the commercial traffic E-ZPass share is substantially higher than the passenger vehicle E-ZPass share, and therefore did not see a significant increase in its E-ZPass market share as it was already approaching saturation.

The TPB E-ZPass market share is lower than the BBB; with a 27.0 percent share in 2005, growing to 59.2 percent in 2017. A significant increase in E-ZPass market share was also experienced on the TPB for passenger vehicles during FY 2016, as a result of the toll increase and Cash and E-ZPass toll differential that was instituted in September 2015. Unlike the BBB, the E-ZPass market share for commercial vehicles on the TPB also experienced as significant increase as it was starting from a significantly lower E-ZPass share than the BBB.

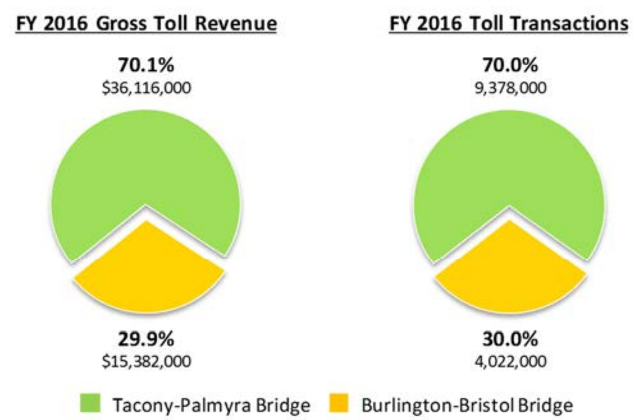
Table 2-5
Historical Trends in E-ZPass Market Share

Fiscal Year	Burlington Bristol Bridge Passenger Vehicles	Burlington Bristol Bridge Commercial Vehicles	Burlington Bristol Bridge All Vehicles	Tacony - Palmyra Bridge Passenger Vehicles	Tacony - Palmyra Bridge Commercial Vehicles	Tacony - Palmyra Bridge All Vehicles	Total System Passenger Vehicles	Total System Commercial Vehicles	Total System All Vehicles
Percent E-ZPass Market Share									
2005	30.1 %	66.1 %	31.1 %	26.5 %	54.2 %	27.0 %	27.6 %	59.2 %	28.3 %
2006	33.1	71.1	34.2	28.7	59.3	29.3	30.1	64.5	30.9
2007	35.6	73.0	36.7	30.6	62.1	31.2	32.2	66.7	33.0
2008	37.2	75.7	38.2	33.1	64.0	33.7	34.4	68.8	35.2
2009	38.4	74.9	39.3	33.9	60.8	34.5	35.3	65.7	35.9
2010	39.4	74.8	40.3	34.9	59.0	35.4	36.3	64.6	36.9
2011	41.8	75.5	42.6	36.7	61.1	37.2	38.2	66.0	38.8
2012	43.6	76.9	44.5	38.2	59.5	38.7	39.8	65.2	40.4
2013	45.9	79.7	46.9	40.0	64.9	40.6	41.8	69.8	42.5
2014	47.9	79.1	48.8	41.3	65.7	41.9	43.3	70.3	44.0
2015	50.0	81.3	50.9	42.2	66.8	42.8	44.5	71.6	45.2
2016	63.3	82.5	63.9	56.5	74.3	56.9	58.5	77.0	59.0
2017 (1)	65.9	83.7	66.5	58.7	75.9	59.2	61.0	78.8	61.5
Net Change In Percentages									
2005	- -	- -	- -	- -	- -	- -	- -	- -	- -
2006	3.0	5.1	3.1	2.3	5.1	2.3	2.5	5.3	2.6
2007	2.5	1.8	2.4	1.9	2.8	1.9	2.1	2.2	2.1
2008	1.6	2.7	1.6	2.5	1.9	2.5	2.2	2.1	2.2
2009	1.2	-0.7	1.0	0.8	-3.2	0.8	0.9	-3.1	0.7
2010	1.0	-0.2	1.0	1.0	-1.8	0.9	1.0	-1.0	1.0
2011	2.4	0.7	2.4	1.8	2.0	1.8	1.9	1.4	1.9
2012	1.8	1.4	1.9	1.6	-1.5	1.5	1.6	-0.8	1.5
2013	2.3	2.8	2.4	1.8	5.4	1.9	2.0	4.5	2.1
2014	2.0	-0.6	2.0	1.3	0.8	1.2	1.5	0.5	1.5
2015	2.1	2.2	2.1	1.0	1.2	1.0	1.2	1.3	1.3
2016	13.3	1.3	12.9	14.3	7.4	14.1	14.0	5.3	13.8
2017 (1)	2.6	1.2	2.6	2.2	1.6	2.2	2.5	1.9	2.5

Source: BCBC
(1) FY 2017 includes data between October and July

FY 2016 Toll Transactions and Gross Toll Revenue by Facility

As presented in **Figure 2-3**, approximately 70.1 percent of the total FY 2016 annual gross toll revenue was collected on the TPB compared to 29.9 percent on the BBB. This reflects the higher demand and usage of the larger TPB as compared to the BBB. In 2016, the TPB generated $36.1 million in gross toll revenue compared to $15.4 million for the BBB. The share of transactions follow the same pattern as would be expected since the toll rates are the same at both facilities and commercial vehicle penetration is similar.



FY2016 TOLL TRANSACTIONS AND REVENUE BY FACILITY

FIGURE 2-3

2016 Vehicle Class Distribution

Passenger vehicle transactions comprised the clear majority of total toll transactions on both the BBB and the TPB. The vehicle class distribution in 2016 is presented in **Table 2-6**. Passenger vehicles (Class 1-4) comprised 97.0 percent of all BBB transactions, and 97.3 percent of TPB transactions. Two axle trucks account for the largest proportion of truck transactions, followed by five axle trucks. In term of revenue, passenger vehicles accounted for 86.7 percent of total revenue, while trucks accounted for 13.3 percent of total revenue. While trucks comprise only a relatively small portion of total transactions, their importance on the revenue side is much more substantial due to the proportionally higher tolls that trucks pay.

Monthly and Daily Traffic Variations

Monthly variations for the BBB and TPB for calendar year 2016 are shown in **Figure 2-4**. The traffic variations are based on average daily traffic per month, and an index of 1.00 represents the “average month”. In general, monthly traffic volumes peak during the spring and summer months and reached their lowest points during the winter. The monthly variation is relatively low in general as would be expected with more local/commuter type facilities. In general, summer months are less than 10 percent above the average, while the winter months are 90 to 95 percent of the average month.

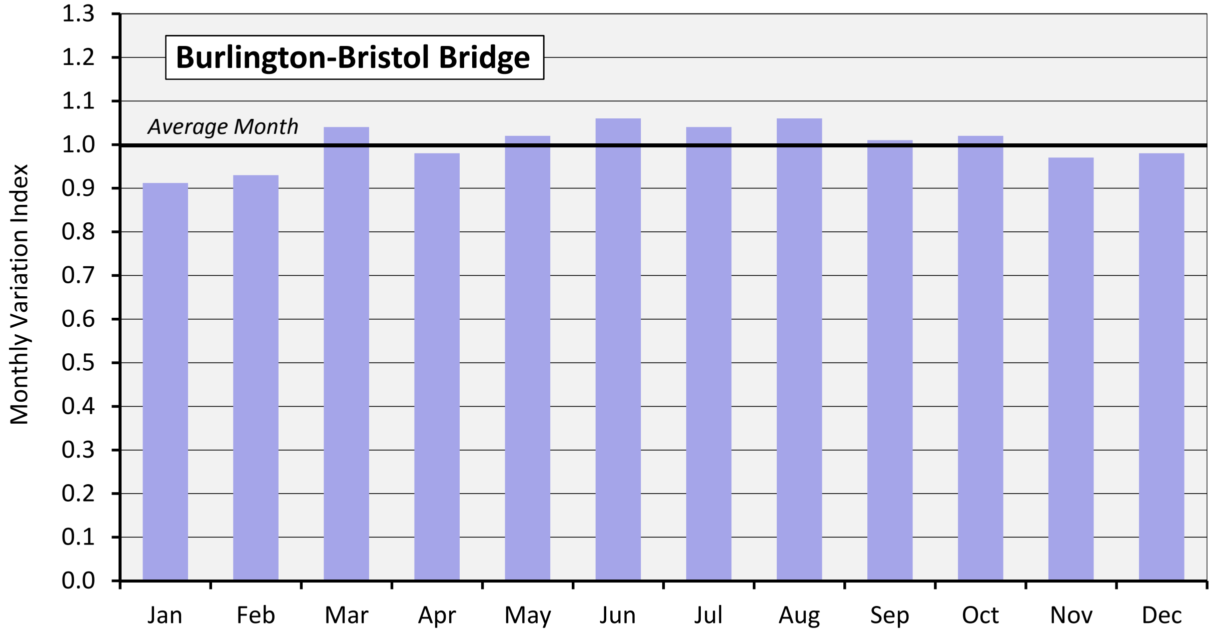
A sample of daily traffic volumes on the BBB and the TPB were summarized for October 2016 which is a relatively average month of travel. The daily variations are presented in **Figure 2-5**. Weekday traffic is fairly consistent with a slight build-up in volume as the week progresses. Sunday traffic is lowest, at 75 to 80 percent of the average daily volume. Saturday is the higher of the weekend days at 85 to 90 percent of the average daily volume.

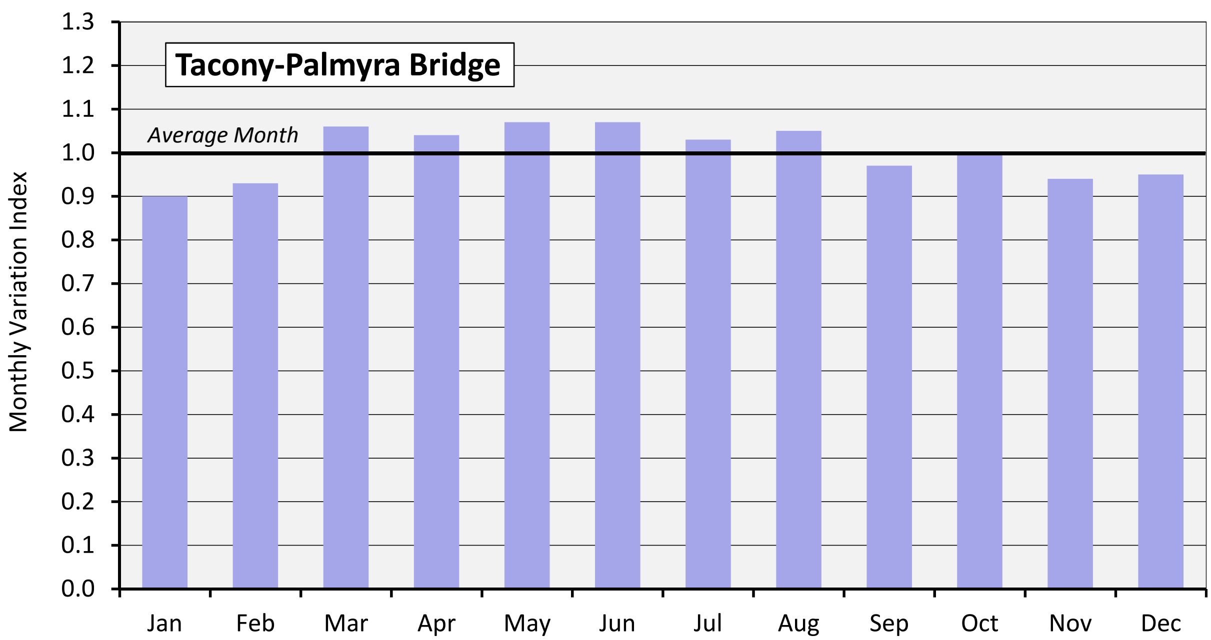
Both the monthly and daily variations further demonstrate the relatively normal traffic characteristics of the two facilities. The facilities are not reliant on a seasonal build-up of traffic or large amounts of discretionary travel, and therefore reinforce the relatively local and stable demand nature of usage.

Table 2-6
FY 2016 Vehicle Class Distribution
Toll Transactions and Gross Toll Revenue
(Percent Distribution)

Vehicle Class	Description	2016 Toll Transactions Burlington Bristol	2016 Toll Transactions Tacony Palmyra	2016 Toll Transactions Total System	2016 Gross Toll Revenue Burlington Bristol	2016 Gross Toll Revenue Tacony Palmyra	2016 Gross Toll Revenue Total System
Class 1	PC, Van, Motorcycle, Light Truck	96.8	97.1	97.0	85.2	86.7	86.2
Class 2	Two Axle Bus/RV/Dual-wheel PU	0.2	0.2	0.2	0.3	0.2	0.3
Class 3	Three Axle Bus/RV	0.0	0.0	0.0	0.0	0.0	0.0
Class 5	Two Axle Truck	1.7	1.5	1.5	5.3	4.5	4.8
Class 6	Three Axle Truck	0.4	0.3	0.3	2.0	1.5	1.6
Class 7	Four Axle Truck	0.3	0.2	0.2	1.6	1.2	1.4
Class 8	Five Axle Truck	0.6	0.7	0.7	5.0	5.5	5.4
Class 4	Passenger Extra Axle	0.0	0.0	0.0	0.3	0.2	0.2
Class 9	Commercial Extra Axle	0.0	0.0	0.0	0.2	0.2	0.2
Total		100.00	100.00	100.00	100.00	100.00	100.00
Class 1-4	All Passenger Vehicles Classes	97.0	97.3	97.2	85.8	87.1	86.7
Class 5-9	All Commercial Vehicles Classes	3.0	2.7	2.8	14.2	12.9	13.3
Total		100.00	100.00	100.00	100.00	100.00	100.00

Source: BCBC

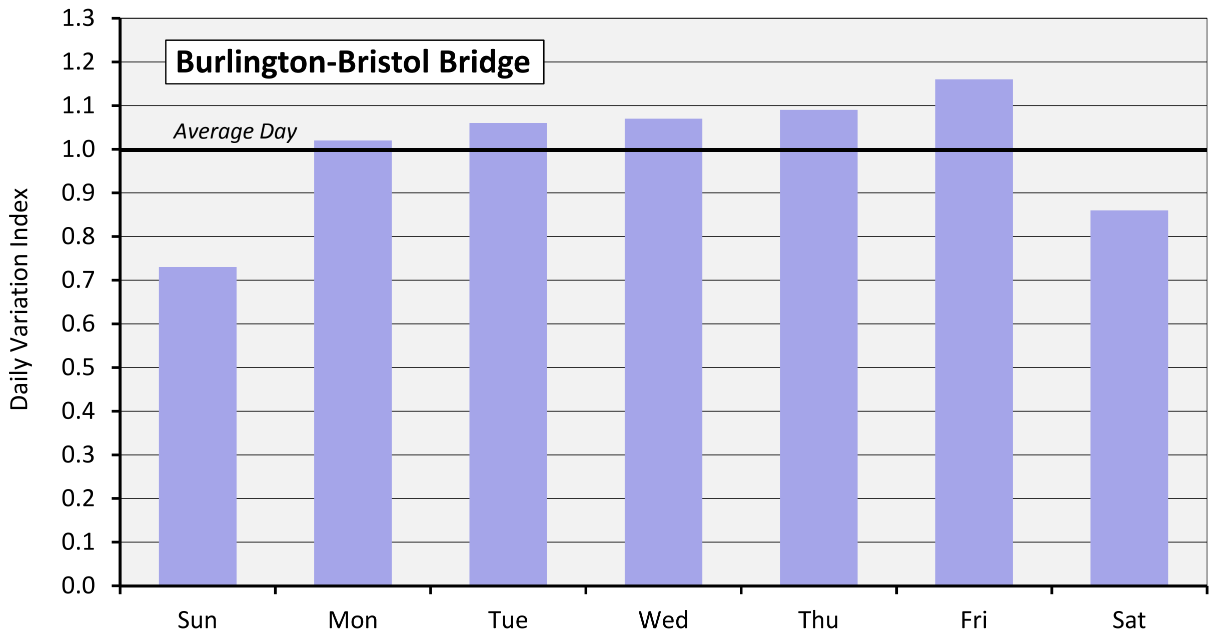


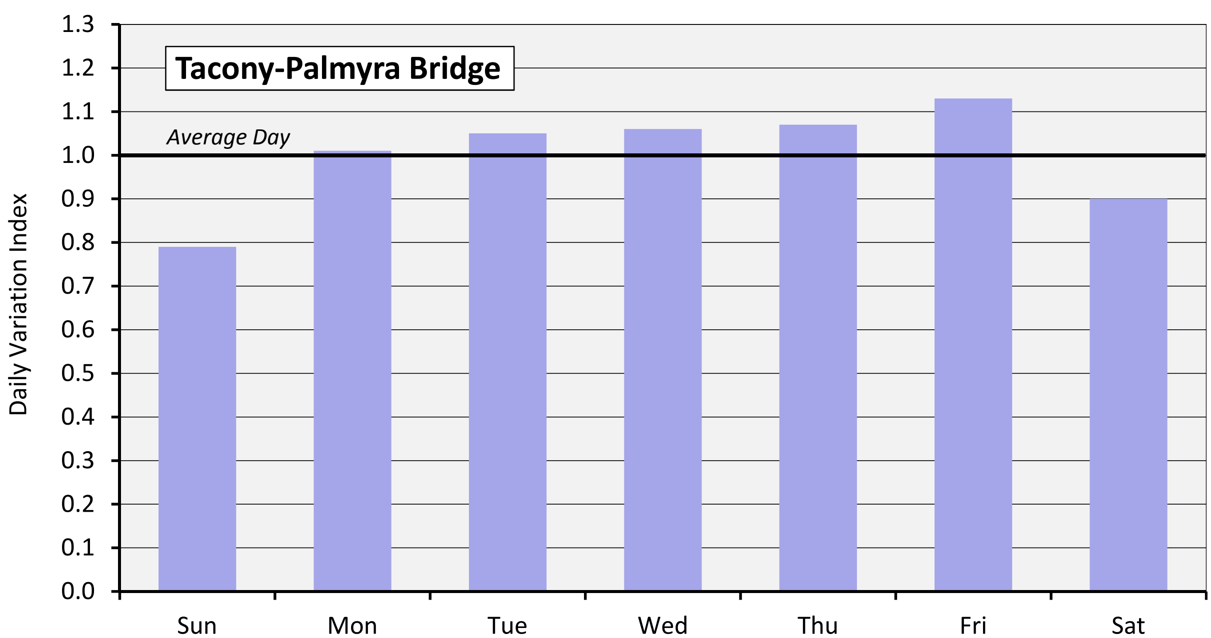


CALENDAR YEAR 2016 MONTHLY TRAFFIC VARIATIONS

CDM Smith

FIGURE 2-4





OCTOBER 2016
DAILY TRAFFIC VARIATIONS

FIGURE 2-5

Chapter 3

Economics

Introduction

For the two toll bridges operated by the Burlington County Bridge Commission (BCBC): the Burlington-Bristol Bridge (BBB); and the Tacony-Palmyra (TPB), economic growth forecasts are important inputs in the forecasting of traffic and revenue. The purpose of this chapter is to provide a description of the historical and forecasted socioeconomic trends in the study area, and to describe the methodological approach and estimates of future normal traffic growth.

The socioeconomic trends subtask entailed collection of different data variables compiled from a variety of public and private sources. During the 2012 study, an econometric modeling effort was conducted to determine the economic input variable or variables that best correlates with past normal traffic growth on the BBB and TPB. This data was refreshed for the 2015 study. Given that there was a significant toll increase in September 2015, the econometric growth model developed in the 2012 and 2015 studies which were based on a long-term analysis of data was not re-estimated. This model remains valid, accordingly re-estimating with additional data presently would not be applicable given the significant effects of the toll increase in September 2015 and the fact that the model considers a broad historical perspective of the data. The model's purpose is to estimate an average normal growth rate, outside of exogenous events such as construction, toll increases, or other factors which need to be assessed independently. However, all the socioeconomic variables were updated during this study to assess whether it was necessary to adjust prior estimates of future normal growth rates developed during the 2015 study.

Socioeconomic Trends

Updated data on potentially explanatory factors that may have influenced historical variations in toll transactions was assembled. Sources of the historical and forecast socioeconomic data include:

Data Source	Variable
Census Bureau	Historical Population
Bureau of Economic Analysis (BEA)	Historical Employment (1990-'15)
Bureau of Labor Statistics (BLS)	Historical Employment (2015-'16)
Woods and Poole Economics[1]	Forecast Employment Historical/Forecast Real Retail Sales Historical/Forecast Real GRP Historical/Forecast Real Income/Capita
Moody's Economics	Forecast Population Forecast Gasoline Prices
Energy Information Administration (EIA)	Historical Gasoline/Crude Prices

[1] Woods & Poole Economics, Inc. Washington, D.C. Copyright 2017. Woods & Poole does not guarantee the accuracy of this data. The use of this data and the conclusion drawn from it are solely the responsibility of CDM Smith.

Table 3-1 through **Table 3-5**, below, provide a growth summary of population, employment, retail sales, gross regional product (GRP), and per capita income – the latter dollar-denominated variables are presented in constant, or real, dollar terms. Additionally, **Figure 3-1** and **Figure 3-2** illustrate historical and forecasted trends in gasoline prices. Socioeconomic growth is presented in compound average annual growth rate (CAAGR) percentages for eight counties[2] surrounding Philadelphia (combined into two different catchment areas for the two bridges). Econometric testing, as initially conducted in the 2012 Study, and described in the section below determined that Catchment A[3] for the Tacony-Palmyra Bridge, and Catchment B[4] for the Burlington-Bristol Bridge exhibited the strongest econometric correlations with the bridge transactions. In addition to the relevant catchment areas, the socioeconomics of the states of New Jersey and Pennsylvania, as well as the United States are also presented for reference comparisons.

Population

As per **Table 3-1**, population growth surrounding the TPB and BBB are lower relative to the Nation, for both history and forecasts. Historically, the population surrounding Philadelphia increased annually at 0.2 percent on average from 1990 through 2016 (Catchment B), which was slower than population growth experienced for New Jersey, Pennsylvania, and the United States. At a more concentrated geography, Catchment A, a combination of Philadelphia and Camden counties, experienced no effective population change since 1990. Future population growth is forecast to remain tempered, with projections to 2030 at or just above no growth; whereas the United States is projected to grow by 0.6 annually.

Table 3-1
Population, Compound Average Annual Growth Rates

Geography	1990-'95	1995-'00	2000-'05	2005-'10	2010-'16	2016-'20	2020-'25	2025-'30	1990-'16	2016-'30
Burlington Co., NJ	0.8%	0.6%	1.1%	0.1%	0.0%	0.1%	0.0%	0.1%	0.5%	0.1%
Camden Co., NJ	0.3%	0.0%	0.1%	0.1%	-0.1%	0.0%	0.0%	0.0%	0.1%	0.0%
Gloucester Co., NJ	1.2%	0.9%	1.6%	0.9%	0.2%	0.3%	0.3%	0.3%	0.9%	0.3%
Mercer Co., NJ	0.7%	0.8%	0.6%	0.2%	0.2%	0.1%	0.1%	0.1%	0.5%	0.1%
Bucks Co., PA	1.2%	0.8%	0.6%	0.3%	0.0%	-0.1%	-0.1%	0.0%	0.6%	-0.1%
Delaware Co., PA	0.2%	-0.1%	0.0%	0.2%	0.1%	-0.1%	-0.1%	-0.1%	0.1%	-0.1%
Montgomery Co., PA	1.1%	0.9%	0.8%	0.5%	0.5%	0.3%	0.3%	0.3%	0.7%	0.3%
Philadelphia Co., PA	-0.4%	-0.5%	-0.4%	0.5%	0.5%	0.1%	0.1%	0.1%	0.0%	0.1%
*Catchment A	-0.2%	-0.4%	-0.2%	0.4%	0.3%	0.1%	0.1%	0.1%	0.0%	0.1%
*Catchment B	0.2%	0.0%	0.1%	0.3%	0.2%	0.1%	0.0%	0.0%	0.2%	0.0%
Pennsylvania	0.5%	0.1%	0.3%	0.4%	0.1%	0.1%	0.1%	0.1%	0.3%	0.1%
New Jersey	0.9%	0.8%	0.6%	0.3%	0.3%	0.2%	0.2%	0.2%	0.6%	0.2%
United States	1.3%	1.1%	1.0%	0.9%	0.8%	0.7%	0.7%	0.6%	1.0%	0.6%

*Catchment A: Camden Co., NJ and Philadelphia Co., PA
*Catchment B: Burlington Co., NJ, Camden Co., NJ, Bucks Co., PA, and Philadelphia Co., PA
Sources: Historical from Census Bureau; Forecasts from Moody's Economics

[2] Burlington Co., NJ; Camden Co., NJ; Gloucester Co., NJ; Mercer Co., NJ; and Bucks Co., PA; Delaware Co., PA; Montgomery Co., PA; and Philadelphia Co., PA.
[3] Camden Co., NJ, and Philadelphia Co., PA.
[4] Burlington Co., NJ; Camden Co., Bucks Co., PA; and Philadelphia Co., PA.

Employment

Employment, in **Table 3-2,** generally exhibits patterns similar to population; however, historical employment more closely resembles economic cycles, with relatively higher growth rates in the late 1990s, then deceleration in the early 2000s, followed by a flattening or decline in the period to 2010. Since 2010, employment growth has rebounded, with about 1.4% in the greater Philadelphia region, higher than the respective states, but slightly slower than the United States. Recently rebounded employment is projected to exhibit positive growth albeit decelerating since the most-recent growth pattern and continuing below national averages, over the forecast time horizon.

Table 3-2

Employment, Compound Average Annual Growth Rates

Geography	1990-'95	1995-'00	2000-'05	2005-'10	2010-'16	2016-'20	2020-'25	2025-'30	1990-'16	2016-'30
Burlington Co., NJ	0.2%	3.1%	2.1%	-0.3%	1.1%	1.3%	1.2%	1.1%	1.2%	1.2%
Camden Co., NJ	-0.8%	1.2%	1.1%	-0.9%	0.8%	0.8%	0.7%	0.6%	0.3%	0.7%
Gloucester Co., NJ	1.9%	1.7%	3.7%	-0.3%	1.3%	1.3%	1.2%	1.1%	1.7%	1.2%
Mercer Co., NJ	0.3%	1.7%	1.4%	0.0%	1.4%	1.4%	1.3%	1.2%	1.0%	1.3%
Bucks Co., PA	0.8%	2.7%	1.5%	0.0%	1.0%	1.3%	1.2%	1.1%	1.2%	1.2%
Delaware Co., PA	0.3%	0.9%	0.0%	0.7%	1.7%	1.1%	1.0%	0.9%	0.7%	1.0%
Montgomery Co., PA	0.4%	2.3%	0.9%	0.0%	1.3%	1.2%	1.1%	1.0%	1.0%	1.1%
Philadelphia Co., PA	-1.9%	0.3%	-0.2%	0.6%	1.6%	0.7%	0.6%	0.6%	0.1%	0.6%
*Catchment A	-1.6%	0.5%	0.1%	0.2%	1.4%	0.7%	0.7%	0.6%	0.2%	0.6%
*Catchment B	-0.9%	1.3%	0.7%	0.1%	1.3%	0.9%	0.9%	0.8%	0.5%	0.9%
Pennsylvania	0.4%	1.5%	0.5%	0.2%	1.0%	1.1%	1.0%	0.9%	0.7%	1.0%
New Jersey	-0.1%	2.0%	1.0%	-0.1%	1.2%	1.1%	1.1%	1.0%	0.8%	1.1%
United States	1.3%	2.3%	0.9%	0.1%	1.9%	1.4%	1.3%	1.2%	1.3%	1.3%

*Catchment A: Camden Co., NJ and Philadelphia Co., PA

*Catchment B: Burlington Co., NJ, Camden Co., NJ, Bucks Co., PA, and Philadelphia Co., PA

Sources: Historical from BEA and BLS; Forecasts from Woods and Poole Economics, 2017

Real Retail Sales

Real retail sales growth, in **Table 3-3** vacillated considerably in the last couple decades. Real retail sales growth peaked in the 1995-2000, decelerated through 2005, and declined notably in the 2005-2010 timeframe (recession). However, since 2010, real retail sales growth has rebounded, with growth in the smaller-sized Catchment A, similar to macrogeographic patterns. In contrast, the larger Catchment B rebounded by a slower a slower growth than the macro geographies. Real retail sales growth in the Catchment Areas are expected to continue a positive trajectory; however, with decelerated average growth relative to average historical growth since the 1990s, and will remain below the national average.

Table 3-3
Real Retail Sales, Compound Average Annual Growth Rates

Geography	1990-'95	1995-'00	2000-'05	2005-'10	2010-'16	2016-'20	2020-'25	2025-'30	1990-'16	2016-'30
Burlington Co., NJ	1.5%	7.9%	1.2%	-4.8%	1.8%	1.4%	1.2%	1.1%	1.4%	1.2%
Camden Co., NJ	1.1%	1.8%	0.3%	-1.1%	2.3%	1.1%	0.8%	0.7%	0.9%	0.9%
Gloucester Co., NJ	1.2%	4.5%	3.2%	-1.4%	2.1%	1.9%	1.7%	1.6%	1.9%	1.7%
Mercer Co., NJ	0.6%	4.1%	2.1%	-2.2%	1.9%	1.3%	1.1%	1.0%	1.3%	1.1%
Bucks Co., PA	2.8%	3.7%	3.9%	-3.5%	0.3%	1.5%	1.2%	1.1%	1.4%	1.3%
Delaware Co., PA	0.5%	1.6%	0.0%	-2.3%	2.0%	1.0%	0.8%	0.7%	0.4%	0.8%
Montgomery Co., PA	1.8%	3.8%	2.0%	-1.3%	2.4%	1.4%	1.1%	1.0%	1.8%	1.2%
Philadelphia Co., PA	-0.4%	1.5%	0.9%	-0.8%	2.5%	0.7%	0.4%	0.3%	0.8%	0.5%
*Catchment A	0.1%	1.6%	0.7%	-0.9%	2.5%	0.8%	0.6%	0.5%	0.8%	0.6%
*Catchment B	1.1%	3.4%	1.7%	-2.5%	1.7%	1.1%	0.9%	0.8%	1.1%	0.9%
Pennsylvania	1.9%	3.1%	1.7%	-1.1%	2.3%	1.2%	0.9%	0.8%	1.6%	1.0%
New Jersey	1.3%	4.1%	1.9%	-1.5%	2.4%	1.3%	1.1%	1.0%	1.7%	1.1%
United States	2.6%	4.1%	2.1%	-1.0%	2.8%	1.7%	1.5%	1.4%	2.1%	1.5%

*Catchment A: Camden Co., NJ and Philadelphia Co., PA

*Catchment B: Burlington Co., NJ, Camden Co., NJ, Bucks Co., PA, and Philadelphia Co., PA

Sources: Woods and Poole Economics, 2017

Real Gross Regional Product (GRP)

Another indicator with bearing on traffic demand is gross regional product (or gross state product/gross domestic product, depending on geography), which measures the pace of overall economic activity. Historical and forecast real GRP growth are in **Table 3-4**. National real GDP historically decelerated from an annual average of 4.5 percent in the late 1990s, to 2.8 percent over the first five years of the new millennium, to 0.7 percent between 2005 and 2010 (recession). Since 2010, economic growth rebounded nationally to 2.5 percent annually. Generally, as with trends observed in the other variables presented, the Catchment Areas geographies exhibited economic growth that parallel macroeconomic trends, but with growth rate performance below the US average.

Forecasted real GRP growth are estimated to average 2.1 percent for the United States, from 2010 through 2030, per annum, with the Catchment Areas A and B expected to average within 1.3 percent and 1.5 percent per year, respectively.

Table 3-4
Real GRP, Compound Average Annual Growth Rates

Geography	1990-'95	1995-'00	2000-'05	2005-'10	2010-'16	2016-'20	2020-'25	2025-'30	1990-'16	2016-'30
Burlington Co., NJ	1.7%	4.6%	4.3%	0.6%	1.0%	2.2%	2.0%	1.9%	2.4%	2.0%
Camden Co., NJ	0.5%	1.6%	3.2%	-1.1%	0.5%	1.6%	1.5%	1.4%	0.9%	1.5%
Gloucester Co., NJ	2.8%	2.5%	5.4%	0.0%	1.2%	2.1%	1.9%	1.8%	2.3%	1.9%
Mercer Co., NJ	1.4%	3.4%	2.2%	0.5%	2.1%	2.3%	2.2%	2.0%	1.9%	2.2%
Bucks Co., PA	2.5%	4.5%	2.9%	0.0%	1.8%	2.1%	1.9%	1.8%	2.3%	1.9%
Delaware Co., PA	2.9%	2.2%	0.6%	1.1%	2.2%	2.0%	1.9%	1.8%	1.8%	1.9%
Montgomery Co., PA	3.3%	4.9%	1.8%	-0.4%	1.6%	2.2%	2.2%	2.1%	2.2%	2.2%
Philadelphia Co., PA	-0.1%	1.9%	2.3%	4.6%	2.1%	1.2%	1.2%	1.2%	2.1%	1.2%
*Catchment A	0.0%	1.9%	2.5%	3.4%	1.8%	1.3%	1.3%	1.2%	1.9%	1.3%
*Catchment B	0.6%	2.7%	2.8%	2.3%	1.7%	1.5%	1.5%	1.4%	2.0%	1.5%
Pennsylvania	2.4%	2.9%	2.2%	1.3%	2.0%	1.9%	1.8%	1.7%	2.2%	1.8%
New Jersey	1.7%	3.8%	1.9%	0.0%	1.4%	1.8%	1.8%	1.7%	1.7%	1.7%
United States	2.7%	4.5%	2.8%	0.7%	2.5%	2.2%	2.1%	2.0%	2.6%	2.1%

*Catchment A: Camden Co., NJ and Philadelphia Co., PA
*Catchment B: Burlington Co., NJ, Camden Co., NJ, Bucks Co., PA, and Philadelphia Co., PA
Sources: Woods and Poole Economics, 2017

Real Income Per Capita

Historically, real per capita incomes in the Catchment Areas have grown at rates close or above statewide averages, but unlike the trends for the other socioeconomic variables, real per capita income has performed above the national average since 1995, except since 2010, as presented in **Table 3-5**. Going forward, the real per capita income for Catchment Areas is forecasted to decelerate to about 1.5 percent on average per annum, close to that for the United States (1.6 percent per year) through 2030.

Table 3-5
Real Income per Capita, Compound Average Annual Growth Rates

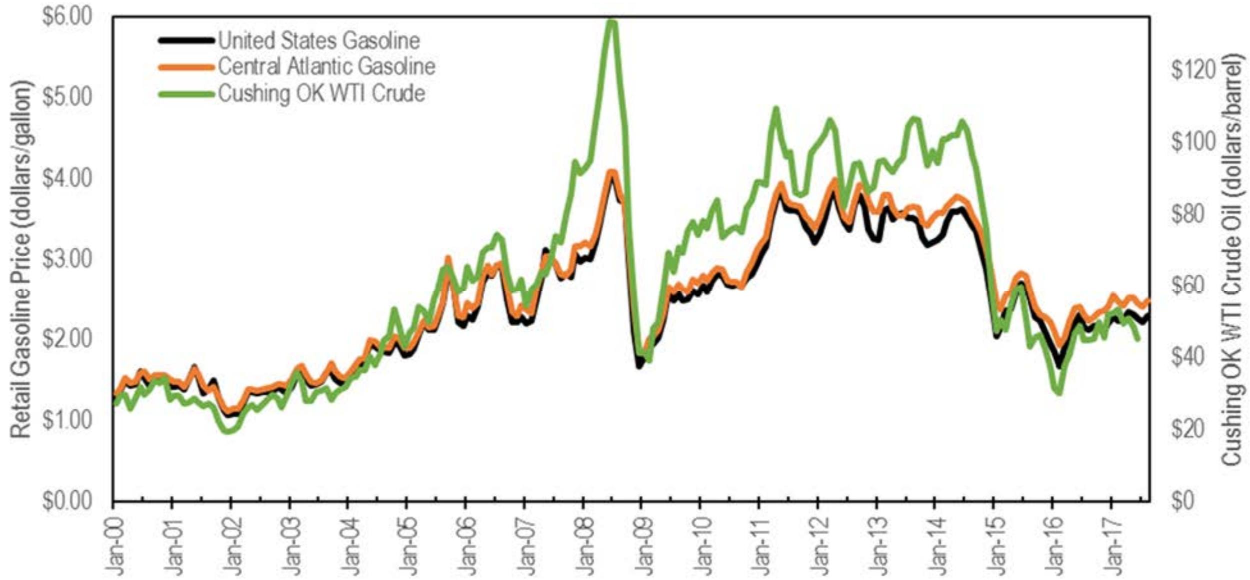
Geography	1990-'95	1995-'00	2000-'05	2005-'10	2010-'16	2016-'20	2020-'25	2025-'30	1990-'16	2016-'30
Burlington Co., NJ	1.0%	4.2%	1.4%	0.9%	1.3%	1.5%	1.4%	1.3%	1.7%	1.4%
Camden Co., NJ	0.8%	2.7%	1.8%	0.5%	1.4%	1.5%	1.5%	1.3%	1.4%	1.4%
Gloucester Co., NJ	0.6%	3.1%	2.8%	0.9%	1.6%	1.2%	1.1%	0.9%	1.8%	1.1%
Mercer Co., NJ	0.6%	3.9%	-0.1%	0.1%	2.1%	1.7%	1.7%	1.5%	1.3%	1.6%
Bucks Co., PA	1.8%	4.7%	1.1%	0.6%	2.6%	1.4%	1.3%	1.2%	2.2%	1.3%
Delaware Co., PA	1.6%	3.7%	0.5%	0.6%	1.8%	1.7%	1.6%	1.5%	1.6%	1.6%
Montgomery Co., PA	1.4%	4.0%	1.0%	-0.4%	2.7%	1.4%	1.4%	1.3%	1.8%	1.3%
Philadelphia Co., PA	-0.2%	2.9%	2.2%	3.9%	1.0%	1.7%	1.8%	1.6%	1.9%	1.7%
*Catchment A	0.1%	2.8%	2.1%	3.0%	1.1%	1.6%	1.7%	1.5%	1.8%	1.6%
*Catchment B	0.7%	3.6%	1.8%	2.0%	1.5%	1.6%	1.6%	1.4%	1.9%	1.5%
Pennsylvania	1.2%	3.5%	1.5%	1.0%	1.8%	1.7%	1.6%	1.4%	1.8%	1.6%
New Jersey	1.1%	4.0%	0.7%	0.5%	1.6%	1.5%	1.5%	1.3%	1.6%	1.4%
United States	1.2%	3.6%	1.1%	0.4%	2.0%	1.5%	1.5%	1.3%	1.7%	1.4%

*Catchment A: Camden Co., NJ and Philadelphia Co., PA
*Catchment B: Burlington Co., NJ, Camden Co., NJ, Bucks Co., PA, and Philadelphia Co., PA
Sources: Woods and Poole Economics, 2017

Gasoline Prices

Figure 3-1 displays the monthly average nominal retail price per gallon (in current dollars) of unleaded gasoline (all grades, all formulations) from 2000 to 2017, sourced from the Energy Information Administration (EIA), and shown for the United States, the Central Atlantic Region[5] (including New Jersey and Pennsylvania); it also depicts the average monthly crude oil price per barrel. The gasoline price variation between the U.S. national and the Central Atlantic Region is relatively narrow, with the Central Atlantic Region closely tracking the national average, but at somewhat higher levels (averaging about $0.11 cents more per gallon). Average national gasoline prices steadily increased from about $1.46 per gallon in 2000 to a peak $4.00 in July 2008, followed by a significant price crash to less than $2.00 within a few months. By 2011, the average price stabilized over $3.00 for a few years; and, in late 2014 declined significantly again. Average national prices in August 2017 were $2.30 per gallon.

Figure 3-1
Historical Retail Gasoline Prices

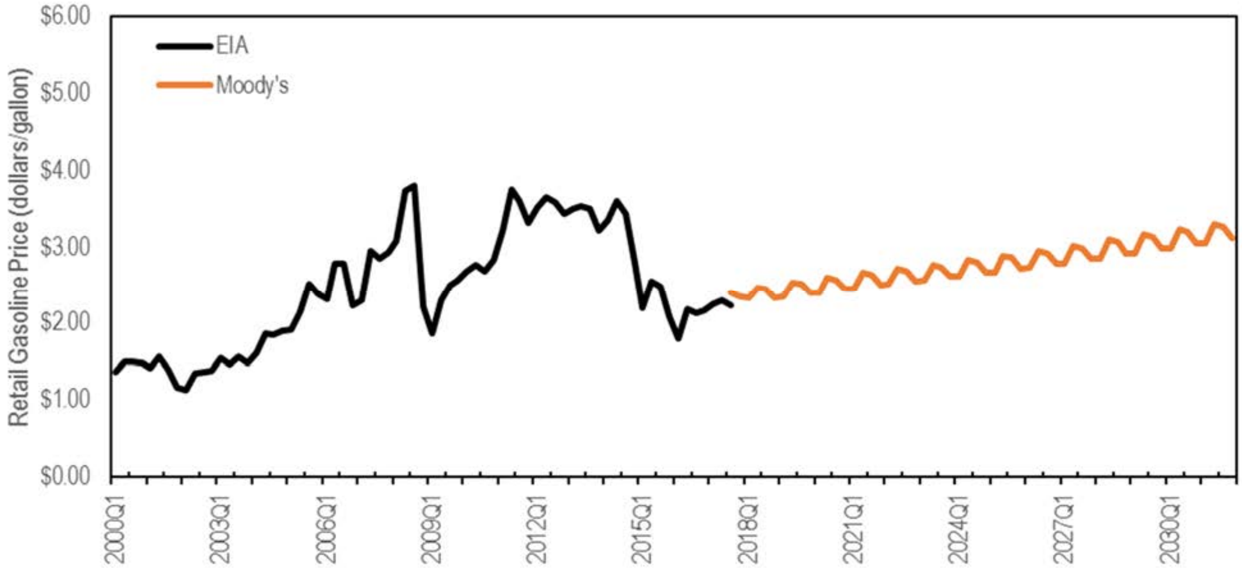


Source: Energy Information Administration

National retail gasoline prices are currently expected to remain below the $3.00 per gallon levels for about the next decade, according to both quarterly-level data from Moody's Analytics (August 2017), and the EIA's latest (January 2017) Annual Energy Outlook report. Moody's Analytics recent projection estimates average annual 2017 prices of $2.43 per gallon, and gradually rising to about $3.12 per gallon by the year 2030, as illustrated in **Figure 3-2**. Given that the forecast of fuel prices is to be relatively stable in real terms over the forecast period, trip making is not expected to be impacted positively or negatively by fuel prices.

[5] Central Atlantic region includes: Delaware, District of Columbia, Maryland, New Jersey, New York and Pennsylvania.

Figure 3-2
Forecast Retail Gasoline Prices



Sources: Energy Information Administration and Moody's Economics

Econometric Growth Analysis

In regression modeling and analysis, the objective is to identify any independent variable (or variables) with historical trends that can explain, by way of statistical significance, corresponding traffic trends on the studied corridors. A resulting correlative relationship between historical trends in corridor traffic (dependent variable) and an independent variable(s) is in turn applied in forecasting facility-specific growth, given available and credible forecasts for the independent variable(s).

The econometric growth modeling and analysis began with a collection of pertinent socioeconomic- and transactions-related input data, which built on the 2012 and 2015 study efforts. Following the historical socioeconomic and transactions data analysis, CDM Smith applied ordinary least-squared (OLS) multivariate regression analysis to develop ten-year demand growth projections through 2025 in the 2015 study. CDM Smith regression-tested annual transaction data for the two Bridges against geographically-specific independent socioeconomic data to derive demand growth forecasts.

Socioeconomic Inputs

Data inputs requisite for conducting a regression analysis include currently-updated historical data and potential independent variable forecasts, which include socioeconomic variables applicable to a defined geographic area of influence (i.e., above identified counties and states). Socioeconomic variables that may be hypothetically influential on the corridors traffic demand include, but are not limited to: population, employment, real gross regional product (GRP), and real retail sales. The socioeconomic data described above was evaluated for the purposes of determining the potentially influential factors on traffic demand growth for the Commission's two facilities. Many multivariate regressions that included these independent socioeconomic variables were previously tested as part of the 2012 study and applied in the 2015 study. These same variables were carried forward in this study for the purpose of estimating normal growth in toll transactions.

Growth Estimates

Based on past econometric regression analysis from the 2012 and 2015 studies, combined with updated forecasts of the explanatory socioeconomic variables, with population forecast based on Moody's, the following demand growth projections are estimated. As shown in **Table 3-6** below, compound average annual growth rates from 2017 through 2027 are estimated to average 0.30 percent per annum for the Tacony-Palmyra Bridge, 0.30 percent per year for the Burlington-Bristol Bridge, and the combined average growth pace for the two Bridges of 0.30 percent per year.

Table 3-6: BCBC Bridges Demand Growth Rates

Bridge	2017-27 CAAGR
Tacony-Palmyra	0.30
Burlington-Bristol	0.30
Tacony-Palmyra and Burlington-Bristol Combined	0.30

Chapter 4

Estimated Annual Toll Transactions and Gross Toll Revenue

The primary objective of this study was to develop up to date traffic and toll revenue forecasts for the BCBC toll facilities. These forecasts were developed based upon a review of the historical transaction and toll revenue data for each of the toll bridges, an analysis of the impacts from the September 2015 toll increase, review of historical E-ZPass market shares, an economic analysis of the area, and anticipated closure impacts due to capital improvements on both BCBC toll facilities. This chapter summarizes the forecasts of future year transactions and toll revenue for the BBB and TPB on an annual basis through FY 2027.

Basic Assumptions

Several assumptions were made in the development of the toll traffic and revenue projections for the two bridges.

1. There would not be any additional changes to the toll rates or toll payment structures on either of the BCBC Bridges between the date of this report and 2027.

2. No DRPA toll increases were assumed. If there are one or more DRPA toll increases between now and 2027, it is likely that additional toll traffic will shift to the TPB. In the past, the DRPA toll increases have resulted in significant increases in transactions and revenue on the TPB. It was assumed that the Pennsylvania Turnpike will continue to implement moderate annual toll increases on the Pennsylvania Turnpike as planned, resulting in a small shift of traffic to the BBB.

3. Major construction activity on the BCBC Bridges was assumed to take place during the forecast, with most of the activity and impact occurring during fiscal year 2018. The anticipated closure schedule was provided by BCBC and was discussed with their engineer Pennoni. The estimated negative impacts on transactions due to closure activity is shown in Table 4-2. It is assumed that the BCBC will mitigate impacts on traffic flow to the fullest extent possible and minimize the closure of lanes during daylight hours during these capital projects.

4. The multi-phase and decade long improvement and construction projects associated with the Pennsylvania Department of Transportation's 95revive program will be instituted as currently programmed. The latest schedule of the program has been reviewed and is planned to extend beyond the forecast period and may continue to disrupt and shift traffic patterns among the various Delaware River bridge crossings in the area.

5. A new interchange between the Pennsylvania Turnpike (I-276) and I-95 is presently under construction and is planned to be opened in 2018 which will allow movements to and from the east on I-276. CDM Smith does not estimate this new connection to have a material negative effect on usage of the BBB.

6. Frequency and duration of the BCBC Bridge opening occurrences will not be significantly different than the recent historical averages.

7. There would be no catastrophic events such as a major economic recession; a major natural disaster that would affect highway and/or bridge traffic; a serious motor fuel shortage or extremely high motor fuel price increases; a war, riots or conflict that would impact access and/or operation of the bridges.
8. Population and employment growth will occur as presented in this study.
9. Motor fuel will remain in adequate supply, and future price increases will not significantly exceed the long-term rate of inflation.
10. No new toll or non-toll bridge or highway facilities, then those already assumed, would be opened that would divert traffic from the BCBC Bridges.
11. Toll transaction and revenue adjustments were made for the leap Years 2020 and 2024.
12. Annual revenue estimates are expressed in future year dollars (nominal).

E-ZPass Market Share Forecast

Table 4-1 presents the historical and estimated E-ZPass market shares for the BBB, the TPB, and combined. The toll increase of September 2015 had a tremendous impact on the E-ZPass market share as some traffic shifted out of the Cash payment category and into the E-ZPass payment category, as well as a general higher level of realized diversion for cash users since their toll increase was much higher than the toll increase for E-ZPass users. The total system E-ZPass market share increased from 45.2 percent in FY 2015 to 59.0 percent in FY 2016. Going forward, the E-ZPass market share is expected to increase at a more normal rate until reaching an assumed saturation level for passenger and commercial vehicles. The effect of this continued migration to E-ZPass over time has a negative impact on the overall average toll rate (and therefore the revenue) due to the lower toll for E-ZPass users versus cash users.

Table 4-1
Historical Trends and Future Assumptions for E-ZPass Market Share

Fiscal Year		Burlington Bristol Bridge Passenger Vehicles	Burlington Bristol Bridge Commercial Vehicles	Burlington Bristol Bridge All Vehicles	Tacony - Palmyra Bridge Passenger Vehicles	Tacony - Palmyra Bridge Commercial Vehicles	Tacony - Palmyra Bridge All Vehicles	Total System Passenger Vehicles	Total System Commercial Vehicles	Total System All Vehicles
Percent E-ZPass Market Share										
2005	(1)	30.1 %	66.1 %	31.1 %	26.5 %	54.2 %	27.0 %	27.6 %	59.2 %	28.3 %
2006	(1)	33.1	71.1	34.2	28.7	59.3	29.3	30.1	64.5	30.9
2007	(1)	35.6	73.0	36.7	30.6	62.1	31.2	32.2	66.7	33.0
2008	(1)	37.2	75.7	38.2	33.1	64.0	33.7	34.4	68.8	35.2
2009	(1)	38.4	74.9	39.3	33.9	60.8	34.5	35.3	65.7	35.9
2010	(1)	39.4	74.8	40.3	34.9	59.0	35.4	36.3	64.6	36.9
2011	(1)	41.8	75.5	42.6	36.7	61.1	37.2	38.2	66.0	38.8
2012	(1)	43.6	76.9	44.5	38.2	59.5	38.7	39.8	65.2	40.4
2013	(1)	45.9	79.7	46.9	40.0	64.9	40.6	41.8	69.8	42.5
2014	(1)	47.9	79.1	48.8	41.3	65.7	41.9	43.3	70.3	44.0
2015	(1)(2)	50.0	81.3	50.9	42.2	66.8	42.8	44.5	71.6	45.2
2016	(1)	63.3	82.5	63.9	56.5	74.3	56.9	58.5	77.0	59.0
2017	(1)	66.0	83.6	66.6	58.8	76.2	59.3	61.1	78.9	61.6
2018		68.4	83.8	68.9	60.8	78.0	61.3	63.3	80.0	63.7
2019		70.9	84.7	71.3	62.8	79.8	63.3	65.4	81.5	65.8
2020		73.4	85.6	73.8	64.8	81.6	65.2	67.6	83.0	68.0
2021		75.9	86.5	76.2	66.8	83.4	67.2	69.7	84.5	70.1
2022		78.4	87.0	78.7	68.8	85.2	69.2	71.9	85.8	72.3
2023		80.7	87.0	80.8	70.6	86.6	71.0	73.8	86.7	74.2
2024		82.0	87.0	82.1	72.4	87.0	72.8	75.5	87.0	75.8
2025		82.0	87.0	82.1	74.2	87.0	74.5	76.7	87.0	77.0
2026		82.0	87.0	82.1	75.7	87.0	76.0	77.7	87.0	78.0
2027		82.0	87.0	82.1	77.2	87.0	77.5	78.7	87.0	79.0
Net Change In Percentage										
2005	(1)	- -	- -	- -	- -	- -	- -	- -	- -	- -
2006	(1)	3.0	5.1	3.1	2.3	5.1	2.3	2.5	5.3	2.6
2007	(1)	2.5	1.8	2.4	1.9	2.8	1.9	2.1	2.2	2.1
2008	(1)	1.6	2.7	1.6	2.5	1.9	2.5	2.2	2.1	2.2
2009	(1)	1.2	-0.7	1.0	0.8	-3.2	0.8	0.9	-3.1	0.7
2010	(1)	1.0	-0.2	1.0	1.0	-1.8	0.9	1.0	-1.0	1.0
2011	(1)	2.4	0.7	2.4	1.8	2.0	1.8	1.9	1.4	1.9
2012	(1)	1.8	1.4	1.9	1.6	-1.5	1.5	1.6	-0.8	1.5
2013	(1)	2.3	2.8	2.4	1.8	5.4	1.9	2.0	4.5	2.1
2014	(1)	2.0	-0.6	2.0	1.3	0.8	1.2	1.5	0.5	1.5
2015	(1)(2)	2.1	2.2	2.1	1.0	1.2	1.0	1.2	1.3	1.3
2016	(1)	13.3	1.3	12.9	14.3	7.4	14.1	14.0	5.3	13.8
2017	(1)	2.7	1.0	2.7	2.4	2.0	2.3	2.6	2.0	2.6
2018		2.4	0.2	2.3	2.0	1.8	2.0	2.1	1.1	2.1
2019		2.5	0.9	2.5	2.0	1.8	2.0	2.2	1.5	2.1
2020		2.5	0.9	2.5	2.0	1.8	2.0	2.2	1.5	2.1
2021		2.5	0.9	2.4	2.0	1.8	2.0	2.2	1.5	2.1
2022		2.5	0.5	2.4	2.0	1.8	2.0	2.2	1.4	2.1
2023		2.2	0.0	2.2	1.8	1.3	1.8	1.9	0.9	1.9
2024		1.3	0.0	1.3	1.8	0.4	1.8	1.7	0.3	1.6
2025		0.0	0.0	0.0	1.8	0.0	1.8	1.2	0.0	1.2
2026		0.0	0.0	0.0	1.5	0.0	1.5	1.0	0.0	1.0
2027		0.0	0.0	0.0	1.5	0.0	1.5	1.0	0.0	1.0

(1) Reflects actual values through July of fiscal year 2017.
(2) BCBC toll increase September 15, 2015.

Estimated Annual Toll Transactions and Gross Toll Revenue

In developing the annual forecasts for the BBB and the TPB, CDM Smith also relied on information related to the capital improvement construction schedule for FY 2017 through FY 2019. Estimated lane and toll booth closures were provided by the BCBC. **Table 4-2** displays the estimated annual impact on transactions from lane and toll booth closures for the BBB and the TPB. For the most part, these activities are anticipated to occur during the night time hours where traffic levels are at their lowest. However, the BCBC and its engineers plan to accommodate the deck replacement over a period of six weekends during FY 2018 where the facility will be closed round the clock. This is estimated to result in a 2.8 percent negative traffic impact on the BBB during FY 2018. The overall estimated annual negative impact to system transactions is -1.0 percent in 2018, and -0.1 percent in 2019. The impacts are reflected in the annual toll transaction and revenue forecast.

Table 4-2
Estimated Annual Percent Traffic Impact (1)
Associated with Assumed Lane and Toll Booth Closures (2)
Burlington County Bridge Commission

Fiscal Year (3)	Burlington Bristol	Tacony Palmyra	Total System
2018 (4)	-2.8	-0.2	-1.0
2019 (4)	-0.2	-0.1	-0.1

(1) Annual traffic impact estimated by CDM Smith.
(2) Estimated lane and booth closures provided by BCBC.
(3) Fiscal Year begins October 1 and ends September 30.
(4) Lane and toll booth closures are anticipated during the overnight hours (9pm-5am) only, with the exception of the Burlington Bristol Bridge deck replacement project, which is assumed to experience six weekends of closure in FY 2018 to accommodate the deck replacement.

Table 4-3 presents the estimated annual toll transactions and revenue for the BBB, the TPB, and combined system through FY 2027. Actuals are shows for FY 2016, with the forecast beginning in FY 2017. These forecasts reflect the following:

- An average annual normal growth in traffic of 0.30 percent;
- The forecast for FY 2018 on the BBB incorporates a negative 5 percent impact versus FY 2017 due to the significant influx of traffic and resulting toll revenue impact received during the months of January and February of 2017 due to the NJ Turnpike Delaware River Bridge closure. This closure was shown to have a 5 percent positive impact on overall FY 2017 revenue on the BBB.
- A continued normal growth increase in the E-ZPass market share as displayed in Table 4-1 which has a continued negative impact on the average toll per vehicle;
- The estimated effects of lane and toll booth closures due to capital improvements for FY 2018 through FY 2019; and

- Leap year effects in 2020 and 2024.

For the BBB, annual toll revenue is estimated to increase from $15.4 million in FY 2016 to $15.8 million in FY 2017. This is an increase of 2.6 percent. For the TPB, annual toll revenue is estimated to decrease from $36.1 million in FY 2016 to $33.4 million in FY 2017. FY 2017 incorporates actual transaction and revenue data.

FY 2018 is estimated to be the lowest revenue over the forecast period due to a couple of significant onetime events. This includes the “backing” out of the 5 percent positive impact to the BBB due to the NJ Turnpike Bridge closure in 2017 and the additional 2.8 percent impact associated with the deck replacement on the BBB. Total systemwide revenue for FY 2018 is estimated at $47.6 million.

Annual revenue in FY 2019 is expected to increase to $47.9 million, as the BBB is expected to grow by 2.5 percent over the suppressed FY 2018 levels which reflected the negative impact of the deck replacement. Annual revenue throughout the forecast period is estimated to remain stable in the $47.6 to $48.0 million range reflecting modest normal traffic growth (0.30 percent per year), continued growth in the E-ZPass market share (which has a negative impact on the overall average toll), and leap year impacts.

Table 4-3
Estimated Annual Toll Transactions and Gross Toll Revenue
Burlington County Bridge Commission

	Burlington Bristol Bridge					Tacony - Palmyra Bridge					Total System				
Fiscal Year [1]	Transactions	Percent Change Over Prior Year	Revenue	Percent Change Over Prior Year	Average Toll Per Vehicle	Transactions	Percent Change Over Prior Year	Revenue	Percent Change Over Prior Year	Average Toll Per Vehicle	Transactions	Percent Change Over Prior Year	Revenue	Percent Change Over Prior Year	Average Toll Per Vehicle
2016 [2][3]	4,021,333		$ 15,377,593		$3.82	9,376,438		$ 36,107,950		$3.85	13,397,771		$ 51,485,543		$3.84
2017 [4][5]	4,080,000	1.5	15,794,000	2.7	3.87	8,717,000	(7.0)	33,431,000	(7.4)	3.84	12,797,000	(4.5)	49,225,000	(4.4)	3.85
2018 [5]	3,885,000	(4.8)	14,576,000	(7.7)	3.75	8,675,000	(0.5)	33,033,000	(1.2)	3.81	12,560,000	(1.9)	47,609,000	(3.3)	3.79
2019 [5]	4,006,000	3.1	14,938,000	2.5	3.73	8,710,000	0.4	33,004,000	(0.1)	3.79	12,716,000	1.2	47,942,000	0.7	3.77
2020 [3]	4,040,000	0.8	14,965,000	0.2	3.70	8,766,000	0.6	33,053,000	0.1	3.77	12,806,000	0.7	48,018,000	0.2	3.75
2021	4,045,000	0.1	14,888,000	(0.5)	3.68	8,768,000	0.0	32,898,000	(0.5)	3.75	12,813,000	0.1	47,786,000	(0.5)	3.73
2022	4,061,000	0.4	14,850,000	(0.3)	3.66	8,795,000	0.3	32,832,000	(0.2)	3.73	12,856,000	0.3	47,682,000	(0.2)	3.71
2023	4,077,000	0.4	14,820,000	(0.2)	3.64	8,821,000	0.3	32,781,000	(0.2)	3.72	12,898,000	0.3	47,601,000	(0.2)	3.69
2024 [3]	4,105,000	0.7	14,867,000	0.3	3.62	8,872,000	0.6	32,815,000	0.1	3.70	12,977,000	0.6	47,682,000	0.2	3.67
2025	4,110,000	0.1	14,886,000	0.1	3.62	8,874,000	0.0	32,668,000	(0.4)	3.68	12,984,000	0.1	47,554,000	(0.3)	3.66
2026	4,126,000	0.4	14,945,000	0.4	3.62	8,901,000	0.3	32,636,000	(0.1)	3.67	13,027,000	0.3	47,581,000	0.1	3.65
2027	4,143,000	0.4	15,005,000	0.4	3.62	8,927,000	0.3	32,603,000	(0.1)	3.65	13,070,000	0.3	47,608,000	0.1	3.64

(1) Fiscal Year begins October 1 and ends September 30.
(2) Data through Fiscal Year 2016 is actual.
(3) Leap year
(4) Reflects temporary positive impact associated with Delaware River Turnpike Bridge closure from January 20 through March 9, 2017.
(5) Includes estimated temporary negative impacts associated with lane and toll booth closures due to construction and maintenance projects as outlined in Table 4-2.

Disclaimer

CDM Smith used currently-accepted professional practices and procedures in the development of the traffic and revenue estimates in this report. However, as with any forecast, it should be understood that differences between forecasted and actual results may occur, as caused by events and circumstances beyond the control of the forecasters. In formulating the estimates, CDM Smith reasonably relied upon the accuracy and completeness of information provided (both written and oral) by the Burlington County Bridge Commission and its engineering consultant Pennoni. CDM Smith also relied upon the reasonable assurances of independent parties and is not aware of any material facts that would make such information misleading.

CDM Smith made qualitative judgments related to several key variables in the development and analysis of the traffic and revenue estimates that must be considered as a whole; therefore, selecting portions of any individual result without consideration of the intent of the whole may create a misleading or incomplete view of the results and the underlying methodologies used to obtain the results. CDM Smith gives no opinion as to the value or merit of partial information extracted from this report.

All estimates and projections reported herein are based on CDM Smith's experience and judgment and on a review of information obtained from multiple agencies, including BCBC. These estimates and projections may not be indicative of actual or future values, and are therefore subject to substantial uncertainty. Future developments cannot be predicted with certainty, and may affect the estimates or projections expressed in this report, such that CDM Smith does not specifically guarantee or warrant any estimate or projection contained within this report.

While CDM Smith believes that the projections and other forward-looking statements contained within the report are based on reasonable assumptions as of the date of the report, such forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results predicted. Therefore, following the date of this report, CDM Smith will take no responsibility or assume any obligation to advise of changes that may affect its assumptions contained within the report, as they pertain to socioeconomic and demographic forecasts, proposed residential or commercial land use development projects and/or potential improvements to the regional transportation network.

CDM Smith is not, and has not been, a municipal advisor as defined in Federal law (the Dodd Frank Bill) to BCBC and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to BCBC with respect to the information and material contained in this report. CDM Smith is not recommending and has not recommended any action to BCBC. BCBC should discuss the information and material contained in this report with any and all internal and external advisors that it deems appropriate before acting on this information.