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This Series 2014 Bond is a direct, limited and special obligation of the Authority payable from the Revenues and secured by a lien on the Pledged Property (as defined in the Resolution) of the Authority and from any other moneys pledged therefor under the Resolution; provided, however, that the power and obligation of the Authority to cause application of such Pledged Property and other funds to the payment of the principal or Redemption Price of and the interest on the Series 2014 Bonds is subject to the terms of the Resolution.

The Series 2014 Bonds are issued in the form of Registered Bonds, without coupons, in book-entry only form in the denomination of \$5,000 each or any integral multiple thereof.

As defined in the Resolution, and for purposes of this Series 2014 Bond, "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 Trustee, the Bond Registrar, any Paying Agent, the County or the Authority is legally authorized to close. All other terms used herein which are not defined shall have the meanings ascribed to such terms in the Resolution.

The Series 2014 Bonds maturing on or after September 1, 20\_\_ shall be subject to redemption prior to their respective stated maturity dates at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the County in accordance with the terms of the Loan Agreement, upon notice as set forth below, on or after September 1, 20\_\_ as a whole or in part on any date and, if in part, in such order of maturity as the County may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee) at a Redemption Price equal to 100% of the principal amount of Series 2014 Bonds to be redeemed, plus accrued interest to the Redemption Date.

Sinking Fund Redemption. The Series 2014 Bonds maturing on September 1, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued to the redemption date, on the following dates in the respective principal amounts set forth opposite such dates:

<u>September 1 of the Year</u>	<u>Principal Amount</u>
	\$

\*

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\* Final maturity.

Unless otherwise provided in the Resolution, if less than all of the Series 2014 Bonds of like maturity shall be called for prior redemption, the particular Series 2014 Bonds or portions of such Series 2014 Bonds 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; provided, however, that the portion of any such Series 2014 Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Series 2014 Bonds for redemption, the Trustee shall treat each such Series 2014 Bond as representing that number of Series 2014 Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Series 2014 Bond to be redeemed in part.

When the Trustee shall receive notice from the Authority of its election or direction to redeem the Series 2014 Bonds pursuant to Section 402 of the Bond Resolution, including written notice from the County whose consent is required to effectuate the redemption of the Series 2014 Bonds, and when redemption of the Series 2014 Bonds is authorized or required pursuant to Section 403 of the Bond Resolution and the Trustee shall have received written notice from the County of its consent to the redemption of the Series 2014 Bonds, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2014 Bonds, which notice shall specify the maturities of the Series 2014 Bonds to be redeemed, the Redemption Price, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2014 Bonds of any like maturity and particular Series are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2014 Bonds so to be redeemed, and, in the case of the Series 2014 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 Series 2014 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of the Series 2014 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNERS of any Series 2014 Bonds or portions of the Series 2014 Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure to give

notice by mail, or any defect in notice to the REGISTERED OWNER of any Series 2014 Bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Series 2014 Bonds.

So long as DTC or its nominee is the REGISTERED OWNER of the Bonds, notices of redemption shall be sent to DTC and not to any Beneficial Owners of the Bonds.

The Trustee shall also comply with any notice or other requirements of DTC to effectuate a redemption of Bonds. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

If, on the redemption date, moneys for the redemption of all the Series 2014 Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent 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 Series 2014 Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such notice of redemption shall be rescinded by the Trustee and shall be deemed to be null and void as if never given and such Series 2014 Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

Pursuant to the Resolution, the Authority may hereafter issue Refunding Bonds for the purposes, in the amounts and on the conditions prescribed in the Resolution. All bonds issued and to be issued under the Resolution, including the Series 2014 Bonds and Refunding Bonds, are and will be equally secured by the pledge of Funds and Revenues provided in the Resolution except as otherwise provided in or pursuant to the Resolution.

To the extent and in the respects permitted by the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Authority in the manner and subject to the conditions and exceptions which are set forth in the Resolution. The pledge of the Pledged Property and other obligations of the Authority under the terms of the Resolution may be discharged at or prior to the maturity or redemption of the Series 2014 Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

This Series 2014 Bond is transferable, as provided in the Resolution, only upon the registration books of the Authority which are kept and maintained for that purpose at the principal corporate trust office of U.S. Bank National Association, Morristown, New Jersey ("Bond Registrar"), as registrar under the Resolution, or its successor as Bond Registrar, by the REGISTERED OWNER hereof in Person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the REGISTERED OWNER or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Authority shall issue in the name of the transferee a new registered Series 2014 Bond or Series 2014 Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Series 2014 Bond as provided in the Resolution, upon payment of the charges therein prescribed. The Authority, the Trustee, the Bond Registrar and any Paying Agent of the











MOTION:

SECOND:

RECORDED VOTE

AYES:

ABSTAIN:

NAYES:

ABSENT:

The foregoing is a true copy of a Bond Resolution adopted by the governing body of THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY at a meeting thereof duly called and held on September 3, 2014.

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**GERARD VELAZQUEZ, Executive Director**

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**RESOLUTION OF THE CUMBERLAND COUNTY IMPROVEMENT  
AUTHORITY AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION REVENUE BONDS  
(TECHNICAL HIGH SCHOOL PROJECT)**

**Adopted: September 3, 2014**

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**RESOLUTION OF THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY  
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REVENUE BONDS  
(TECHNICAL HIGH SCHOOL PROJECT)**

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WHEREAS, The Cumberland County Improvement Authority, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of Chosen Freeholders of the County of Cumberland ("County") adopted on December 30, 1980, and any successor to its duties and functions ("Authority"), is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (*N.J.S.A. 40:37A-44 et seq.*) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Authority is authorized by the Act to make loans to any governmental unit or Person (as hereinafter defined) for the planning, design, acquisition, construction, equipping and furnishing of all or any part of any public facility, for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and agree upon as long as such loans are secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for such purpose by the Authority, and upon such other terms and conditions as the Authority shall deem reasonable; and

WHEREAS, the Authority has determined, pursuant to the Act, to finance a capital improvement project consisting of: (i) the development and construction of an approximately 200,000 square foot educational facility including classrooms, offices and administrative space for the Technical School ("Facility"); (ii) the acquisition of certain real property in the County on which the Facility will be constructed; (iii) the costs of equipping of the Facility; (iv) all other costs and expenses necessary for or related to the development, construction and equipping of the Facility; (v) capitalized interest on the Series 2014 Bonds (as hereinafter defined), if any; and (vi) the costs and expenses incurred by the Authority and the County in connection with the issuance and delivery of the Series 2014 Bonds, including the payment of a municipal bond insurance premium, if any, all as more particularly described in Exhibit H to the Loan Agreement, as each may be amended, supplemented and restated from time to time (collectively, the "2014 Project"); and

WHEREAS, all actions necessary and required under the Act for the approval of the 2014 Project, including, without limitation, obtaining the consent of the County to undertake the financing and the issuance by the County on the Issue Date (as hereinafter defined) of a County Bond (as hereinafter defined) to the Authority pursuant to the County Bond Ordinance (as hereinafter defined) evidencing the Loan (as hereinafter defined) and the review of and consent to such financing and issuance of the County Bond by the Local Finance Board of the Division of Local Government Services, State Department of Community Affairs, have been

and/or will have been taken prior to or concurrently with the issuance of the Series 2014 Bonds;  
and

WHEREAS, the Authority will, pursuant to the Act, provide for the financing of the Costs (as hereinafter defined) of the 2014 Project by the issuance of the Series 2014 Bonds and the lending of the proceeds thereof ("Loan") to the County and the Technical School (as hereinafter defined) pursuant to the terms and conditions set forth herein and in the Loan Agreement; and

WHEREAS, pursuant to the terms of the Loan Agreement, the County, on behalf of the Technical School, is required to make the Loan Payments (as hereinafter defined) to the Authority on each Loan Payment Date (as hereinafter defined) in an amount equal to the debt service on the Series 2014 Bonds due on the immediately succeeding Interest Payment Date (as hereinafter defined) and/or Principal Installment Date (as hereinafter defined), as the case may be; and

WHEREAS, the County's Loan Payments will be made pursuant to and secured by the County Bonds; and

WHEREAS, the County Bonds shall be secured by the full faith and credit of the County, the payment of the principal of and interest on which the County shall be obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable property within the jurisdiction of the County without limitation as to rate or amount; and

WHEREAS, pursuant to a letter date March 31, 2014 from the New Jersey Department of Education, a portion of the County Bonds, in an amount not-to-exceed 69.494% of the final eligible costs of the 2014 Project, as determined by the New Jersey Department of Education (not-to-exceed \$68,604,770), will be provided to the County by the State pursuant to the Educational Facilities Construction and Financing Act (*N.J.S.A. 18A:7G-1 et seq.*) ("Educational Facilities Construction and Financing Act"), subject to annual appropriation by the State; and

WHEREAS, the County (A) has previously authorized the performance of its obligations under the County Bonds through the adoption of the County Bond Ordinance (as hereinafter defined) and (B) will authorize (i) the undertaking of the 2014 Project; and (ii) the performance of its obligations under the Loan Agreement and the Continuing Disclosure Agreement (as defined in the Loan Agreement) through the adoption of the County Authorizing Resolution (as hereinafter defined).

NOW THEREFORE, BE IT RESOLVED by The Cumberland County Improvement Authority as follows:

## ARTICLE I

### DEFINITIONS AND STATUTORY AUTHORITY

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

**Account** or **Accounts** shall mean, as the case may be, each or all of the Accounts established and created under Article V of this Bond Resolution.

**Accountant's Certificate** shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent certified public accountants of recognized standing, selected by the Authority, who may be the accountant or firm of accountants who regularly audit the books of the Authority.

**Acquisition Fund** shall mean the Fund so designated, created and established pursuant to Section 502(1) of this Bond Resolution.

**Act** shall have the meaning set forth in the Recitals to this Bond Resolution.

**Additional Loan Payments** shall mean amounts payable by the County to the Authority under the Loan Agreement including, but not limited to, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of this Bond Resolution, the County Bonds, and the Loan Agreement, including reasonable attorneys' fees related hereto and thereto.

**Aggregate Debt Service** for any period shall mean, as of any date of calculation, the aggregate Debt Service for such period with respect to all Bonds Outstanding or to be (or assumed to be) Outstanding during such period.

**Annual Authority Administrative Fee** shall mean the annual fee for the general administrative expenses of the Authority for the Bonds as set forth in the Loan Agreement.

**Article** shall mean a specified Article hereof, unless otherwise indicated.

**Authority** shall have the meaning set forth in the Recitals to this Bond Resolution.

**Authority Administrative Expenses** shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under this Bond Resolution, the County Bonds, and the Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Authority's construction monitoring fee set forth in the Award Certificate for the Bonds; (iii) the Annual Authority Administrative Fee; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the 2014 Project or the compelling of the full and punctual performance of this Bond Resolution, the County Bonds, and the Loan Agreement in accordance with the terms hereof and thereof; (v) all fees and expenses including, but not

limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries (as hereinafter defined), and others; and (vi) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar, or the Trustee (each as hereinafter defined) or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under this Bond Resolution, the County Bonds, and the Loan Agreement, all to the extent not capitalized pursuant to the requirements of this Bond Resolution, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the County.

**Authorized Authority Representative** shall mean the Chairman, Vice-Chairman, Executive Director and any Person or Persons authorized to act on behalf of the Authority by a written certificate signed on behalf of the Authority by the Chairman or Vice Chairman of the Authority containing the specimen signature of each such Person.

**Authorized County Representative** shall mean any Person or Persons authorized to act on behalf of the County as shall be set forth in a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of Chosen Freeholders, which form of certificate is set forth as Exhibit D to the Loan Agreement annexed thereto and incorporated by reference therein.

**Authorized Technical School Representative** shall mean the President, Vice-President, Secretary or Treasurer of The Cumberland County Board of Vocational Education, or any other Person or Persons who shall be authorized to act on behalf of the Technical School by virtue of a resolution adopted by The Cumberland County Board of Vocational Education in connection with the issuance of the Series 2014 Bonds, which resolution shall set forth such authorization.

**Authorized Denominations** shall mean with respect to any Series of Bonds, \$5,000 or any integral multiple of \$5,000.

**Authorized Newspaper** shall mean *The Bond Buyer*, or any successor thereto, or any financial newspaper customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

**Award Certificate** shall mean each certificate of an Authorized Authority Representative executed and delivered to the Trustee in accordance with the Delegation Resolution in connection with each Series of Bonds.

**Bond** or **Bonds** shall mean the Series 2014 Bonds issued at one or more times pursuant to Sections 201, 202 and 203 of this Bond Resolution to provide funds to finance the 2014 Project, together with any Refunding Bonds, if any.

**Bond Counsel** shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Trustee.

**Bondholder, Holder, Holder of Bonds, or Owner** shall mean any Person who shall be the Registered Owner of any Bond or Bonds.

**Bond Registrar** shall mean the Trustee, its successors and assigns, or any other commercial bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Authority to perform the duties of the Bond Registrar enumerated in Section 305 of this Bond Resolution.

**Bond Resolution** shall mean this resolution adopted by the Authority on September 3, 2014 entitled "Resolution of The Cumberland County Improvement Authority Authorizing the Issuance of General Obligation Revenue Bonds (Technical High School Project)," as the same may be amended, modified and supplemented in accordance with the provisions hereof and pursuant to the provisions of the Award Certificate executed by the Executive Director of the Authority in connection with the issuance of the Series 2014 Bonds.

**Bond Year** shall mean, with respect to the Series 2014 Bonds, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the Series 2014 Bonds or the date that is five (5) years after the Issue Date in the case of the Series 2014 Bonds, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the Series 2014 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Resolution pursuant to which such Series of Refunding Bonds is issued.

**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 Trustee, the Bond Registrar, any Paying Agent, the County or the Authority is legally authorized to close.

**Cede** shall have the meaning set forth in Section 204(1) hereof.

**Code** shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

**Completion Certificate** shall mean the certificate described in Section 4.05 of the Loan Agreement, executed by the Technical School and approved by the County, wherein, with respect to the 2014 Project, the Technical School certifies as to such matters as the Authority and the County shall require, and which certificate further satisfies the requirements of Section 503(4) hereof.

**Completion Date** shall mean the date of completion of the 2014 Project as stated in the Completion Certificate described in Section 4.05 of the Loan Agreement.

**Continuing Disclosure Agreement** shall have the meaning set forth in Section 820 of this Bond Resolution.

**Cost** or **Costs** shall mean and shall be deemed to include, with respect to the 2014 Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Loan Agreement: (i) the costs of payment of, or reimbursement for, the construction, acquisition, improvement,

installation and financing of such 2014 Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2014 Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to this Bond Resolution, financing documents, legal fees and charges, all financial, accounting and other professional and consulting fees of the Authority and the County, the Initial Authority Financing Fee for a particular Series of Bonds, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing; (ii) all other costs which the County, the Technical School or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, equipping and furnishing of the 2014 Project including, but not limited to, the cost of insurance; (iii) any sums required to reimburse the County or the Technical School for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2014 Project; (iv) deposits in any Fund or Account under this Bond Resolution, all as shall be provided in this Bond Resolution; and (v) such other expenses not specified herein or in the Loan Agreement as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the 2014 Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the costs and expenses incurred by any agent of the Authority, the County or the Technical School for any of the above-mentioned items or in connection with the administration and enforcement of the County Bond, the Continuing Disclosure Agreement and the Loan Agreement.

**County** shall have the meaning set forth in the Recitals to this Bond Resolution.

**County Authorizing Resolution** shall mean (i) the resolution of the County adopted pursuant to the provisions of *N.J.S.A. 40A:2-27(a)(2)* on August 19, 2014 in connection with the issuance of the County Bonds and the Series 2014 Bonds and entitled, "RESOLUTION OF THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF CUMBERLAND, STATE OF NEW JERSEY (I) CONSENTING TO A FINANCING BY THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY IN CONNECTION WITH THE ISSUANCE OF NOT TO EXCEED \$70,000,000 COUNTY GENERAL OBLIGATION REVENUE BONDS (TECHNICAL HIGH SCHOOL PROJECT), SERIES 2014, PURSUANT TO N.J.S.A. 40:37A-56, (II) DELEGATING THE DETERMINATION OF THE FORM, TERMS AND DETAILS OF SUCH BONDS TO THE CHIEF FINANCIAL OFFICER OF THE COUNTY, AND (III) AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT AND OTHER NECESSARY DOCUMENTS REQUIRED FOR THE ISSUANCE OF THE BONDS"; and (ii) any other resolution adopted by the County in connection with the issuance of any Series of Refunding Bonds.

**County Bonds** shall mean: (i) the COUNTY OF CUMBERLAND, NEW JERSEY GENERAL OBLIGATION BONDS (TECHNICAL HIGH SCHOOL PROJECT), SERIES 2014, issued pursuant to the Local Bond Law and the County Bond Ordinance, and delivered by the County to the Authority to evidence the County's obligations to pay the Loan Payments and all other amounts due and owing by the County under the Loan Agreement with

respect to the issuance of the Series 2014 Bonds; and (ii) any general obligation refunding bond of the County issued pursuant to the Local Bond Law and the County Bond Ordinance (as described in clause (ii) of the definition thereof contained in this Bond Resolution), and delivered by the County to the Authority to evidence the County's obligations to pay the Loan Payments and all other amounts due and owing by the County under the Loan Agreement, as amended, with respect to the issuance of any Series of Refunding Bonds pursuant to which the power and obligation of the County to make such payments shall be unlimited and for the payment of which the County shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the County without limitation as to rate or amount.

**County Bond Ordinance** shall mean: (i) the bond ordinance of the County adopted pursuant to the provisions of the Local Bond Law on April 30, 2014 in connection with the issuance of the Series 2014 Bonds and entitled, "BOND ORDINANCE #2014-5 PROVIDING FOR CONSTRUCTION OF A NEW TECHNICAL HIGH SCHOOL ADJACENT TO THE CAMPUS OF THE CUMBERLAND COUNTY COLLEGE; APPROPRIATING \$70,000,000 AND AUTHORIZING THE ISSUANCE OF \$70,000,000 BONDS OR NOTES OF THE COUNTY OF CUMBERLAND, STATE OF NEW JERSEY; THE PRINCIPAL AND INTEREST WILL BE ENTITLED TO STATE AID, PURSUANT TO PROJECT #0995-030-13-1000 OF THE NJ DEPARTMENT OF EDUCATION" as same may be amended, supplemented and restated from time to time in accordance with the Local Bond Law and (ii) any refunding bond ordinance duly adopted by the County pursuant to the provisions of the Local Bond Law in connection with the issuance of any Series of Refunding Bonds.

**Debt Retirement Fund** shall mean the Fund so designated, created and established pursuant to Section 502(6) of this Bond Resolution.

**Debt Service** for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including the Series 2014 Bonds, 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 which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date 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 original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**Debt Service Fund** shall mean the Fund so designated, created and established pursuant to Section 502(5) of this Bond Resolution.

**Debt Service Requirement** with respect to the next Interest Payment Date for any Series of Bonds shall mean: (i) in the case of an Interest Payment Date on which interest



only shall be due, interest accrued and unpaid and to accrue to such date; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, plus the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**Default Interest** shall have the meaning given to such term in Section 308(2) hereof.

**Default Interest Payment Date** shall have the meaning given to such term in Section 308(2) hereof.

**Delegation Resolution** shall mean that resolution adopted by the Authority on September 3, 2014 authorizing, *inter alia*, the execution and delivery of the Loan Agreement, the Award Certificate or Award Certificates and a bond purchase contract or bond purchase contracts with the Underwriter in the event the Series 2014 Bonds are sold through negotiated sale at one or more times, which resolution shall not constitute a Supplemental Resolution hereunder.

**DTC** shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for any Series of Bonds authorized as book-entry Bonds pursuant to Section 204 hereof.

**Educational Facilities Construction and Financing Act** shall mean Chapter 12 of 1971 of the Laws of New Jersey, as amended (*N.J.S.A. 18A:7G-1 et seq.*).

**Event of Default** shall have the meaning given to such term in Section 901 hereof.

**Favorable Opinion of Bond Counsel** shall mean an opinion of Bond Counsel, addressed to the Authority, the County and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Bond Resolution, any Supplemental Resolution and the Act and will not adversely affect the exclusion of interest on such Series of Tax-Exempt Obligations from gross income for purposes of Federal income taxation under Section 103 of the Code.

**Fiduciary** or **Fiduciaries** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

**Fiscal Year** shall mean the respective twelve (12) month fiscal periods of the County or the Authority, as applicable.

**Fitch** shall mean Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**Fund** or **Funds** shall mean, as the case may be, each or all of the Funds created and established in Section 502 of this Bond Resolution; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

**Initial Authority Financing Fee** shall mean, with respect to: (i) the Series 2014 Bonds, an amount equal to 0.50% of the aggregate principal amount of the Series 2014 Bonds, as set forth in the Award Certificate executed by an Authorized Authority Representative in connection with the sale and award of the Series 2014 Bonds; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Resolution authorizing such Series of Bonds or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Refunding Bonds.

**Insurer** shall mean the municipal bond insurance company specified in the Award Certificate which has issued a municipal bond insurance policy with respect to the Series 2014 Bonds, if any.

**Interest Payment Date** shall mean: (i) with respect to the Series 2014 Bonds, each March 1 and September 1, commencing March 1, 2015, or such other date or dates as provided for in the Award Certificate for a particular Series of the Series 2014 Bonds, and (ii) such other dates as shall be established by a Supplemental Resolution authorizing a Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

**Investment Securities** shall mean with respect to moneys in any Funds, Accounts or Subaccounts invested under this Bond Resolution, any of the following securities, if and to the extent the same are at the time of purchase legal for investment of Authority funds pursuant to the provisions of the Local Fiscal Affairs Law, specifically *N.J.S.A. 40A:5-14* (legal depositories for public moneys) and *N.J.S.A. 40A:5-15.1* (securities which may be purchased by local units), as same may be amended and supplemented from time to time:

As of the date of adoption of this Bond Resolution, the following investments and securities are currently permitted investments under the laws of the State for investment of the Authority's funds when authorized by a cash management plan approved pursuant to *N.J.S.A. 40A:5-14*:

- a. The public depositories (as defined in *N.J.S.A. 17:9-41*) designated by the Authority in an approved cash management plan shall be authorized pursuant to *N.J.S.A. 40A:5-14(i)* to purchase certificates of deposit in accordance with the following conditions: (1) the funds are initially invested through the designated public depository; (2) the designated public depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, for the account of the Authority; (3) one hundred percent (100%) of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation; (4) the designated public depository acts as custodian for the Authority with respect to the certificates of deposit issued for the Authority's accounts; and (5) at the same time that the Authority's funds are deposited and the certificates of deposit are issued, the designated public depository receives an amount of deposits from customers of

other banks and savings and loan associations, wherever located, equal to the amount of funds initially invested by the Authority through the designated public depository.

b. Pursuant to *N.J.S.A. 40A:5-15.1*, the following securities may be purchased which, if suitable for registry, may be registered in the name of the Authority:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) 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;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the State Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (*N.J.S.A. 52:18A-90.4*); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection a. hereof;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than thirty (30) days;

(d) the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (*N.J.S.A. 17:9-41*); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

c. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.

d. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.

e. Any investments not purchased and redeemed from the issuer, government money market mutual fund, local government investment pool or the State Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within the State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to Section 9 of P.L. 1967, c.93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

f. For the purposes of this definition:

(1) a "government money market mutual fund" means an investment company or investment trust:

(a) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940", 15 *U.S.C.* 80a-1 *et seq.*, and operated in accordance with 17 *C.F.R.* §270.2a-7;

(b) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R.* §270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection b. hereof; and

(c) which is rated by a nationally recognized statistical rating organization.

(2) a "local government investment pool" means an investment pool:

(a) which is managed in accordance with 17 *C.F.R.* §270.2a-7;

(b) which is rated in the highest category by a nationally recognized statistical rating organization;

(c) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R.* §270.2a-7 and

repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection a. hereof;

(d) which is in compliance with rules adopted pursuant to the "Administrative Procedure Act", P.L. 1968, c.410 (*N.J.S.A. 52:14B-1 et seq.*) by the Local Finance Board, which rules shall provide for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;

(e) which does not permit investments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value; and

(f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State Cash Management Fund, or through the use of a national or State bank located within the State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to Section 9 of P.L. 1967, c.93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

g. Investments in, or deposits or purchases of financial instruments made pursuant to this Bond Resolution shall not be subject to the requirements of the "Local Public Contracts Law", P.L. 1971, c.198 (*N.J.S.A. 40A:11-1 et seq.*).

**Issue Date** shall mean, with respect to: (i) the Series 2014 Bonds, the date or dates specified in the Award Certificate executed and delivered by the Authority in connection with the sale of the Series 2014 Bonds; and (ii) any Series of Refunding Bonds, the date on which the Trustee authenticates the Series of Refunding Bonds and on which such Series of Refunding Bonds are delivered to the purchasers thereof upon original issuance.

**Loan** shall mean the loan made by the Authority to the County for the benefit of the Technical School in the aggregate principal amount not-to-exceed \$70,000,000 (which amount shall be specified in the Award Certificate or Award Certificates relating to the Series 2014 Bonds and the Loan Agreement) to finance the Costs of the 2014 Project under the terms and conditions set forth in the Loan Agreement.

**Loan Agreement** shall mean the Loan and Security Agreement, by and among the Authority, the County and the Technical School, together with any supplements and

amendments thereto, relating to the 2014 Project to be financed with the proceeds of the Loan and any Refunding Bonds, if any.

**Loan Documents** shall mean, collectively, the County Bond Ordinance, County Bond Resolution, the Technical School Resolution, the County Bonds, the Loan Agreement, the Continuing Disclosure Agreement, this Bond Resolution and all documents and instruments executed and delivered in connection therewith and herewith and all amendments and modifications thereto and hereto.

**Loan Payment** shall mean the sum of money representing principal and interest for the 2014 Project necessary to amortize Debt Service on the Series 2014 Bonds payable by the County pursuant to the County Bonds on each Loan Payment Date, as set forth in Exhibit A to the Loan Agreement as described in Section 5.02(a) of the Loan Agreement and redemption premium, if any, to the extent required to redeem the Series 2014 Bonds pursuant to Article IV of this Bond Resolution and, as applicable, Additional Loan Payments payable by the County and/or the Technical School upon demand pursuant to Sections 5.02(a) and (b) of the Loan Agreement, respectively. The obligations of the County under the County Bonds shall be deemed to be amounts payable under Article V of the Loan Agreement. Each Loan Payment shall be deemed to be a credit against the corresponding obligation of the County under Article V of the Loan Agreement and shall fulfill the County's obligation to pay such amount or amounts under the Loan Agreement and under the County Bonds.

**Loan Payment Date** shall mean: (i) with respect to the Series 2014 Bonds, ten (10) days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be, and (ii) such other dates determined in accordance with the Loan Agreement as may be set forth in a Supplemental Resolution authorizing a Series of Refunding Bonds.

**Loan Term** shall mean the period during which the Loan Agreement is in effect as specified in Section 5.01 of the Loan Agreement.

**Local Bond Law** means the "Local Bond Law," constituting Chapter 169 of the Pamphlet Laws of 1960 of the State (codified at *N.J.S.A. 40A:2-1 et seq.*), as the same may from time to time be amended and supplemented.

**Month** shall mean a calendar month.

**Moody's** shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**Operating Fund** shall mean the Fund so designated, created and established pursuant to Section 502(3) of this Bond Resolution.

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

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

- (ii) Bonds (or portions of Bonds) for the payment of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, together with interest to accrue thereon to the date of maturity or redemption date, shall be held in an irrevocable trust under this Bond Resolution and set aside for such payment or redemption (whether at or prior to the maturity date); provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as specified in Article IV hereof;
- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 hereof; and
- (iv) Bonds deemed to have been paid as provided in Section 1301 hereof.

**Paying Agent** or **Paying Agents** shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association designated as paying agent for the Bonds, and its successors and assigns and its successor or successors appointed in the manner provided in this Bond Resolution. Initially, the Paying Agent shall be U.S. Bank National Association.

**Person** or **Persons** shall mean any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

**Pledged Property** shall mean (1) the Revenues, (2) the Funds and Accounts established hereunder (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts, and (3) 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 this Bond Resolution.

**Prepayment** shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.05 of the Loan Agreement.

**Principal Installment** shall mean, as of any date of calculation, and with respect to a particular Series of Bonds, so long as any Bonds thereof are Outstanding: (i) the principal amount of such Series of Bonds due on a certain future date for which no Sinking Fund Installments have been established plus any applicable redemption premium thereon, and (ii) any Sinking Fund Installments due on a certain future date for such Series of Bonds, if any, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of such Series of Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

**Principal Installment Date** shall mean: (i) with respect to the Series 2014 Bonds, each September 1, commencing September 1, 2015, or such other date or dates as provided for in the Award Certificate for a particular Series of the Series 2014 Bonds, on which any Principal Installment shall become due and payable by the Authority, or (ii) such other date as set forth in a Supplemental Resolution authorizing a Series of Refunding Bonds. In the event a Principal

Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

**Proceeds** shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the 2014 Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 7.05 of the Loan Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

**Proceeds Fund** shall mean the Fund so designated, established and created pursuant to Section 502(4) of this Bond Resolution.

**Rebate Fund** shall mean the Fund so designated, created and established pursuant to Section 502(7) of this Bond Resolution.

**Record Date** shall mean: (i) with respect to the Series 2014 Bonds, the fifteenth (15<sup>th</sup>) day of the calendar month next preceding any Interest Payment Date, or such other date or dates as provided for in the Award Certificate for a particular Series of the Series 2014 Bonds, or (ii) such other dates as set forth in a Supplemental Resolution authorizing a Series of Refunding Bonds.

**Redemption Price** shall mean, with respect to any Bond, the principal amount thereof plus the applicable redemption premium thereon, if any, payable upon redemption thereof pursuant to such Bond or this Bond Resolution or the applicable Supplemental Resolution whether such Redemption Price is expressed as a percentage of the principal amount of the Bond or otherwise.

**Refunding Bonds** shall mean any Bonds authenticated and delivered on original issuance pursuant to Section 205 hereof, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 hereof.

**Registered Owner** shall mean the Owner of any Bond which is issued in fully registered form, as determined on the Record Date, as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Bond Registrar.

**Revenue Fund** shall mean the Fund so designated, created and established pursuant to Section 502(2) of this Bond Resolution.

**Revenues** shall mean: (i) all amounts, including Loan Payments, received by the Authority from the County under the Loan Agreement and secured by the County Bonds; (ii) any moneys or securities held pursuant to this Bond Resolution and paid or required to be paid into the Debt Service Fund; (iii) payments made by the County pursuant to the County Bonds (which shall secure the Series 2014 Bonds and any Series of Refunding Bonds for which the County has adopted or shall adopt a County Bond Ordinance) and pursuant to Sections 508 and 708 hereof; (iv) interest received on any moneys or Investment Securities held under this Bond Resolution (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to this



Bond Resolution; and (v) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Resolution.

**Series** shall mean all of the Bonds authenticated and delivered upon original issuance at one or more times and pursuant to this Bond Resolution and any 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, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 of this Bond Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

**Series 2014 Bonds** shall mean all of the Series of Bonds so designated, authenticated and delivered to the Underwriter upon original issuance pursuant to Section 203 hereof which are designated General Obligation Revenue Bonds (Technical High School Project), Series 2014 issued in one or more Series and at one or more times in the not-to-exceed aggregate principal amount of \$70,000,000 to finance the Costs of the 2014 Project.

**Sinking Fund Installment** shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series which amount is established pursuant to subsection (7) of Section 203 hereof.

**Special Record Date** shall have the same meaning given to such term in Section 308 hereof.

**Standard & Poor's** or **S&P** shall mean Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**State** shall have the meaning set forth in the Recitals to this Bond Resolution.

**Supplemental Resolution** shall mean any resolution supplemental to or amendatory of this Bond Resolution adopted by the Authority in accordance with Section 205 and Article XI hereof, but shall not include the Delegation Resolution.

**Tax-Exempt Obligations** shall mean any Series of Bonds which are issued pursuant to the terms of this Bond Resolution together with an opinion of Bond Counsel to the effect that the interest on such Bonds is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

**Technical School Resolution** shall mean: (i) the resolution of the Technical School to be adopted pursuant to the provisions of *N.J.S.A. 18A:54-31* in connection with the issuance of the Series 2014 Bonds and entitled, "RESOLUTION OF THE CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION AUTHORIZING AND CONSENTING TO THE COMPLETION OF DESIGN AND CONSTRUCTION OF A NEW EDUCATIONAL FACILITY; CONSENTING TO THE ISSUANCE OF GENERAL OBLIGATION REVENUE BONDS (TECHNICAL SCHOOL PROJECT), SERIES 2014 IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$70,000,000 BY THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY TO PROVIDE FINANCING

FOR SAID CAPITAL IMPROVEMENT PROJECT; APPROVING THE ENTERING INTO, EXECUTION AND DELIVERY OF A LOAN AND SECURITY AGREEMENT BY AND AMONG THE AUTHORITY, THE COUNTY OF CUMBERLAND, NEW JERSEY, AND THE TECHNICAL SCHOOL AND AUTHORIZING OTHER NECESSARY ACTION IN CONNECTION WITH SAID FINANCING"; and (ii) any other resolution adopted by the Technical School in connection with the issuance of any Series of Refunding Bonds.

**Technical School** shall mean The Cumberland County Technical Education Center, organized and existing as a public body corporate and politic organized pursuant to the provisions of *N.J.S.A. 18A:54-1 et seq.*

**Trustee** shall mean, with respect to the Series 2014 Bonds and any Series of Refunding Bonds issued hereunder, U.S. Bank National Association, Morristown, New Jersey, and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Bond Resolution or appointed trustee pursuant to a Supplemental Resolution.

**2014 Project** shall mean the financing of the costs of: (i) the development and construction of an approximately 200,000 square foot educational facility including classrooms, offices and administrative space for the Technical School ("Facility"); (ii) the acquisition of certain real property in the County on which the Facility will be constructed; (iii) the costs of equipping of the Facility; (iv) all other costs and expenses necessary for or related to the development, construction and equipping of the Facility; (v) capitalized interest on the Series 2014 Bonds, if any; and (vi) the costs and expenses incurred by the Authority and the County in connection with the issuance and delivery of the Series 2014 Bonds, including the payment of a municipal bond insurance premium, if any, all as more particularly described in Exhibit H to the Loan Agreement, as each may be amended, supplemented and restated from time to time.

**Underwriter** shall mean either: (i) the underwriter named in the purchase contract between the Authority and the Underwriter and the Award Certificate, each dated the date of the negotiated sale of the Series 2014 Bonds; or (ii) in the case of a competitive sale of the Series 2014 Bonds, the underwriting firm selected by the Authority in accordance with the terms of the Notice of Sale (as defined in the Delegation Resolution) for the Series 2014 Bonds and evidenced by the execution of the Award Certificate.

**Yield** shall mean that yield which when used in computing the present worth of all payments of principal and interest on an obligation produces an amount equal to its purchase price. The Yield for the Bonds is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing Persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine gender shall mean and include correlative words of the feminine and neuter gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.

**Section 102. Authority for This Bond Resolution.** This Bond Resolution is adopted pursuant to the provisions of the Act.

**Section 103. Bond 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, this Bond Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds; and the security interest granted and the pledge and assignment made in this Bond Resolution and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, all except as expressly provided in or permitted by this Bond Resolution.

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## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

**Section 201. Authorization of Bonds.** 1. In accordance with the Act and pursuant to the provisions of this Bond Resolution, there is hereby authorized to be issued Bonds of the Authority (in one or more Series, issued at one or more times as Tax-Exempt Obligations) to be designated as "General Obligation Revenue Bonds (Technical High School Project)." The Bonds shall be direct, limited and special obligations of the Authority payable solely from Revenues and secured by the Pledged Property. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Bond Resolution is not limited except as may hereafter be provided in this Bond Resolution or as may be limited by law.

2. The Bonds may, if and when authorized by the Authority pursuant to this Bond Resolution and one or more Supplemental Resolutions, be issued in one or more Series at one or more times, and the designation thereof, in addition to the name "General Obligation Revenue Bonds (Technical High School Project)," shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Authority shall determine in the Award Certificate with respect to such Series of Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Nothing contained in this Bond Resolution shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Resolution of any Bonds of two (2) or more separate Series authorized pursuant to such Supplemental Resolution to be issued pursuant to any of the provisions of Sections 202, 203 and 205 hereof into a single Series of Bonds for purposes of sale and issuance; provided that each of the tests, conditions and other requirements contained in Sections 202, 203, 204 and 205 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this subsection or in such Supplemental Resolution, such a consolidated Series shall be treated as a single Series for all purposes of this Bond Resolution.

4. The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement and the County Bonds, 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 Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement and the County Bonds, the County, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by the Loan Agreement and the County Bonds, the County.

**Section 202. General Provisions for Issuance of Bonds.** 1. All of the Bonds of each Series, including the Series 2014 Bonds, shall be executed by the Authority for issuance under this Bond Resolution and shall be delivered to the Trustee. Thereupon the Trustee shall authenticate and shall deliver the Bonds to the Authority or upon its order, but only upon the receipt by the Trustee of:

- (a) An opinion of Bond Counsel (dated the date the Bonds of such Series are initially issued and addressed to the Authority, together with a reliance letter addressed to the Trustee) to the effect, *inter alia*, that, except insofar as it may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy, (i) the Authority has the right and the power under the Act, as amended to the date of such opinion, to adopt this Bond Resolution; this Bond Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms and no other authorization for the adoption of this Bond Resolution is required; (ii) this Bond Resolution creates the valid pledge that it purports to create on the Pledged Property; and (iii) the Bonds of such Series are valid, binding, direct, special and limited obligations of the Authority as provided in this Bond Resolution, enforceable in accordance with their terms and the terms of this Bond Resolution and entitled to the benefits of this Bond 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 applicable law, including the Act as amended to the date of such opinion, and in accordance with this Bond Resolution;
- (b) A written order as to the delivery of such Bonds signed by an Authorized Authority Representative, which order shall: (i) direct the application of the proceeds of such Bonds; and (ii) set forth the maturity schedule for the Bonds and the interest rate or rates payable with respect thereto;
- (c) A copy, duly certified by an Authorized Authority Representative, of this Bond Resolution and the Delegation Resolution of the Authority, *inter alia*, authorizing the execution of the Loan Agreement, the Award Certificate and, in the event the Series 2014 Bonds are sold through negotiated sale, the bond purchase contract with the Underwriter (which Delegation Resolution shall not constitute a Supplemental Resolution hereunder), together with a copy of the Award Certificate;
- (d) A fully executed copy of the Loan Agreement;
- (e) A certified copy of the County Authorizing Resolution authorizing the sale of the County Bonds to the Authority and the authorization, execution and delivery of the Loan Agreement and the Continuing Disclosure Agreement along with duly certified copies of the authorization proceedings related thereto;
- (f) A certified copy of the County Bond Ordinance authorizing the issuance of the County Bonds, along with certified copies of the authorization proceedings (including a copy of the filed Supplemental Debt Statement) related thereto;

- (g) In the event the Series 2014 Bonds are sold through negotiated sale, a fully executed copy of the purchase contract for such Series of Bonds executed by the Authority and the Underwriter thereof;
- (h) A certified copy of the resolution of the governing body of the Technical School authorizing the financing of the 2014 Project by the County on behalf of and for the benefit of the Technical School and the execution and delivery of the Loan Agreement;
- (i) An executed copy of Form 8038-G as required by Section 149(e) of the Code with respect to the Tax-Exempt Obligations;
- (j) Except in the case of the Series 2014 Bonds, a certificate of an Authorized Authority Representative stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Bond Resolution;
- (k) For any Series of Refunding Bonds, prior to the authentication and delivery of such Series of Refunding Bonds, provision shall have been made for the issuance by the County of a refunding County Bond, delivered to the Authority to evidence the County's obligations to pay the Loan Payments and all other amounts due and owing by the County under the Loan Agreement with respect to said Series of Refunding Bonds pursuant to which the power and obligation of the County to make such payments shall be unlimited and for the payment of which the County shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the County without limitation as to rate or amount. Any payments which are made by the County pursuant to such refunding County Bond shall be made to the Trustee and shall thereafter be deposited by the Trustee in the Debt Service Fund in accordance with the terms of Section 508(2) hereof;
- (l) An opinion of County Counsel and/or County Bond Counsel (dated the date the Bonds are initially issued) to the effect that: (i) the County has the right and power under the Act to adopt the County Bond Ordinance and the County Authorizing Resolution and the County Bond Ordinance and the County Authorizing Resolution have each been duly and lawfully adopted by the County, are in full force and effect on the Issue Date and are valid and binding upon the County and enforceable in accordance with its respective terms and no other authorization for the County Bond Ordinance and the County Authorizing Resolution is required; (ii) the County Bonds and the Loan Agreement have each been duly and validly authorized by the County and duly executed, attested and delivered by Authorized County Representatives in accordance with applicable law, including the Local Bond Law, and the County Bonds have been duly sold by the County to the Authority and duly issued by the County; (iii) the County has the full right, power and authority under the Act and the County Authorizing Resolution to authorize, enter into, execute and deliver the

Loan Agreement and to perform its obligations thereunder; and (iv) the County Bonds constitute legal, valid and binding general obligations of the County, enforceable against the County in accordance with their terms and payments thereunder are payable out of the first funds becoming legally available to the County for such purpose and if such funds are not available, the County has the power and is obligated to levy *ad valorem* taxes upon all the taxable property located within the jurisdiction of the County for the purpose of making payments under the County Bonds, without limitation as to rate or amount, provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy;

- (m) The original County Bonds; and
- (n) Such further documents, moneys and securities as are required by the provisions of Sections 203, 205 or 703 or Article XI or any Supplemental Resolution adopted pursuant to Article XI hereof.

2. All of the Bonds of each Series shall be identical in all respects, except as to denominations, maturity date, numbers and letters. After the original issuance of the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 hereof.

**Section 203. The Series 2014 Bonds.** 1. The Series 2014 Bonds shall be issued, authenticated and delivered to finance the Costs of acquisition, construction, equipping and furnishing of the 2014 Project for the County.

2. Pursuant to the provisions of this Bond Resolution, the Series 2014 Bonds are entitled to the benefit, protection and security of the provisions hereof and are hereby authorized to be issued in one or more Series and at one or more times in an aggregate principal amount not-to-exceed \$70,000,000. The Series 2014 Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title "General Obligation Revenue Bonds (Technical High School Project), Series 2014."

3. The Series 2014 Bonds shall be issued to: (i) finance the Costs of the 2014 Project; (ii) make the required deposit, if any, into the Debt Service Fund; (iii) pay capitalized interest on the Series 2014 Bonds; and (iv) pay costs and expenses incurred by the Authority and the County in connection with the issuance and delivery of the Series 2014 Bonds.

4. The Series 2014 Bonds shall be dated, shall mature and shall be subject to redemption on the dates, at the Redemption Prices and in the principal amounts, and shall bear interest payable on the Interest Payment Dates at the respective rates per annum, all as set forth in the Award Certificate executed and delivered to the Trustee in accordance with the Delegation Resolution. The amount and due date of each Sinking Fund Installment, if any, for the Series

2014 Bonds shall be as set forth in the Award Certificate executed and delivered to the Trustee in accordance with the Delegation Resolution.

5. The Series 2014 Bonds shall be issued in fully registered, book-entry only form in Authorized Denominations. Unless the Authority shall otherwise direct the Bond Registrar, the Series 2014 Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter "R," and/or such other letter or letters as determined by the Trustee, prefixed to the number. Subject to the provisions of this Bond Resolution, the form of the Series 2014 Bonds and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401 and 1402, respectively, hereof.

6. The principal or Redemption Price of the Series 2014 Bonds shall be payable, upon presentation and surrender thereof, at the principal corporate trust office of U.S. Bank National Association, Morristown, New Jersey, as Paying Agent for the Series 2014 Bonds. The principal or Redemption Price of all Series 2014 Bonds shall also be payable on any Principal Installment Date 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 this Bond Resolution. Interest on the Series 2014 Bonds shall be payable by check of the Trustee, mailed or transmitted, on each Interest Payment Date or the maturity date, as the case may be, to the Registered Owners thereof as the same appear as of the Record Date on the books of the Authority maintained by the Bond Registrar; provided, however, that a Registered Owner of \$1,000,000 or more in principal amount of Series 2014 Bonds shall be entitled, upon three (3) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds.

7. The Series 2014 Bonds shall be subject to redemption prior to their respective maturity dates as authorized by Article IV hereof and as set forth in the Award Certificate relating thereto.

8. The proceeds of the Loan shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows:

- (a) an amount equal to capitalized interest, if any, accrued on the Loan shall be deposited into the Debt Service Fund;
- (b) an amount for the payment of the costs of issuance, including the Initial Authority Financing Fee, shall be deposited in the Operating Fund and paid in accordance with Section 505(2) hereof; and
- (c) the balance of proceeds of the Loan shall be deposited into the 2014 Account in the Acquisition Fund, which Fund is created and established pursuant to Section 502(1) hereof.

**Section 204. Book-Entry System.** 1. With respect to the Series 2014 Bonds and each Series of Refunding Bonds for which the authorizing resolution so provides, except as provided in subsection (3) of this Section 204, the registered Holder of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. ("Cede"), as nominee of DTC. With respect to all Bonds for which Cede shall be the registered Holder, payment of semiannual interest on such Bonds shall be made by wire transfer of same day funds to the



account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Authority kept by the Bond Registrar.

2. The Bonds shall be initially issued in the form of a separate fully registered bond in the amount of each separate serial or term maturity of each Series of Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books of the Authority kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Bonds so registered in the name of Cede, the Authority and the Trustee shall have no obligation or responsibility to any DTC participant, indirect DTC participant or any beneficial owner of the Bonds. Without limiting the generality of the foregoing, the Authority and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, Cede or any DTC participant or indirect DTC participant with respect to any beneficial ownership interest in the Bonds; (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other Person, other than DTC or Cede, of any notice with respect to such Bonds; or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other Person, other than DTC or Cede, of any amount with respect to the principal of, redemption premium, if any, or interest on such Bonds. The Authority and the Trustee may treat as, and deem DTC to be, the absolute registered Holder of each such Bond for the purpose of: (i) payment of the principal of, redemption premium, if any, and interest on each such Bond; (ii) giving notices with respect to such Bonds; (iii) registering transfers with respect to the Bonds; and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on such Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal of, redemption premium, if any, and interest to the extent of the sum or sums so paid. No Person other than DTC shall receive a Bond certificate evidencing the obligation of the Authority to make payments of principal thereof, redemption premium, if any, and interest thereon pursuant to this Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Bond Resolution shall refer to such new nominee of DTC.

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

(b) The Authority: (i) in its sole discretion and without the consent of any other Person, may terminate the services of DTC with respect to any Series of Bonds; and (ii) shall terminate the services of DTC with respect to such Bonds upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect DTC participants having interests, as shown in the records of DTC, of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Bonds so registered in the name of Cede to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Bonds; or (B) a continuation of the requirement that all such Outstanding Bonds be registered in the

registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of such Bonds.

- (c) Upon the termination of the services of DTC with respect to all or any portion of such Bonds pursuant to subsection (3)(b)(i) or (3)(b)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to all or any portion of such Bonds pursuant to subsection (3)(a) or subsection (3)(b)(ii)(B) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, such Bonds (or the applicable portion thereof) shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Bond Resolution. Upon the determination by any party authorized herein that such Bonds (or any portion thereof) shall no longer be limited to book-entry form, the Authority shall immediately advise the Trustee, in writing, of the procedures for transfer of such Bonds from such book-entry form to a fully registered form.

4. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Series of Bonds is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal of, redemption premium, if any, and interest on, and all notices with respect to, such Bonds shall be made and given, respectively, to DTC as provided in the Letter of Representations of the Authority and the Trustee, addressed to DTC, with respect to such Bonds.

5. In connection with any notice or other communication to be provided to Bondholders pursuant to this Bond Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

**Section 205. Refunding Bonds.** 1. One or more Series of Refunding Bonds may be authorized and delivered upon original issuance to refund all or any portion (as determined by the Authority) of any Outstanding Bonds or any Series thereof, including one or more maturities within such Series of Bonds, upon compliance with the terms and conditions set forth in subsection 2 of this Section 205 and in Section 202 hereof.

2. Prior to, or simultaneously with, the delivery of each such Series of Refunding Bonds pursuant to subsection 1 of this Section 205, the Trustee shall receive, in addition to the items required by Section 202 hereof:

- (a) a certified copy of the ordinance or resolution of the County consenting to the issuance of such Series of Refunding Bonds and authorizing and

pledging to annually appropriate general fund moneys, including the repayment of the Loan Payment obligations incurred with respect to the issuance of such Series of Refunding Bonds;

- (b) irrevocable written instructions to the Trustee, satisfactory to it, to give due notice of redemption of all or any portion of the Bonds (or any Series thereof), if any, to be redeemed on a redemption date specified in such instructions;
- (c) if the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due provision for the notice provided for in Section 405 to the Holders of the Bonds being refunded, except in the case where any Series of Bonds is not by its terms subject to redemption;
- (d) either: (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of those Bonds, if any, to be redeemed or the principal amount of those Bonds, if any, to be paid at maturity, together with accrued interest on such Bonds to the redemption or maturity date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for, and assigned to, the respective Holders of the Bonds to be refunded; or (ii) Investment Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to comply with the provisions of subsection 2 of Section 1301, and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 and including a verification report to the same effect;
- (e) executed copies of amendments to the Loan Agreement certified as to being in full force and effect by an Authorized Authority Representative and an Authorized County Representative; and
- (f) a certified copy of the County Bond Ordinance authorizing the issuance by the County of a refunding County Bond pursuant to the Local Bond Law to secure the County's obligations to pay the Loan Payments for such Series of Refunding Bonds and all other amounts due and owing by the County under the amended Loan Agreement pursuant to which the power and obligation of the County to pay such amounts shall be unlimited and for the payment of which the County shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the County without limitation as to rate or amount, along with duly certified copies of the authorization proceedings related thereto.

3. The proceeds, including accrued interest, of the Refunding Bonds of such Series shall be applied simultaneously with the delivery of such Refunding Bonds, as provided in the Supplemental Resolution authorizing such Refunding Bonds.

4. Upon the defeasance of the Bonds being refunded, the refunded Bonds shall no longer be entitled to the benefit of the County Bonds for the refunded Bonds and such County Bonds shall be released, extinguished and returned to the County for cancellation on the records of the County.

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## ARTICLE III

### GENERAL TERMS AND PROVISIONS OF BONDS

**Section 301. Obligation of Bonds; Medium of Payment; Form and Date.**

1. The Bonds shall be direct, special and limited obligations of the Authority payable, with respect to principal or Redemption Price and interest, solely from Revenues and secured by the Pledged Property, which under the Act and this Bond Resolution may be used for the payment of principal or Redemption Price of, and interest on, the Bonds.

2. The Bonds shall be payable with respect to principal and interest in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

3. All Bonds of each Series shall be issued in the form of fully registered Bonds. The Bonds of each Series shall be substantially in the form required by Article XIV hereof or substantially in the form set forth in the Supplemental Resolution authorizing such Series.

4. Each Bond shall be lettered and numbered as provided in this Bond Resolution or the Supplemental Resolution authorizing the Series of which such Bond is a part so as to be distinguished from every other Bond.

5. The Series 2014 Bonds upon original issuance shall be dated as provided in this Bond Resolution. Refunding Bonds shall be dated as provided in a Supplemental Resolution. Principal of the Bonds shall be payable at maturity upon presentation and surrender thereof at the office of the Paying Agent. Bonds shall bear interest as provided herein or in the Supplemental Resolution authorizing such Series of Bonds, payable by check, except as provided in Section 203(6) and Section 204 hereof, to Registered Owners of such Bonds as of the Record Date provided for such Bonds at their respective addresses on file with the Bond Registrar. After original issuance, all Bonds exchanged or transferred shall bear an authentication date that shall be the date on which such Bonds are authenticated. Interest on Bonds shall accrue from the Interest Payment Date to which interest has been paid next preceding the authentication date unless: (a) the date of authentication is also an Interest Payment Date to which interest has been paid, in which event such Bonds shall be dated and shall bear interest from the date of authentication; or (b) the date of authentication is prior to the first Interest Payment Date, in which event such Bonds shall bear interest from the original dated date of such Bonds; provided however that if, as shown on 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.

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

**Section 303. Execution of Bonds.** The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal shall be thereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority. In the event any officer who shall have signed, sealed or attested any of the Bonds shall cease to be such officer of the Authority before the Bonds shall have been authenticated and delivered by the Trustee or by the Bond Registrar, such Bonds nevertheless may be authenticated and delivered as herein provided as if the Person who so signed, sealed or attested such Bonds had not ceased to be such officer. Any Bond of a Series may be signed, sealed or attested on behalf of the Authority by any Person who shall hold the proper office at the date of such act, notwithstanding at the date of such Bonds such Person may not have held such office.

**Section 304. Authentication of Bonds.** The Bonds of each Series shall bear thereon a certificate of authentication, substantially in the form set forth in Section 1402 hereof, duly executed upon issuance by the Trustee or the Bond Registrar. Only such Bonds as shall bear thereon such certificate of authentication, duly executed, shall be entitled to any right or benefit under this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless such certificate of authentication upon such Bond shall have been duly executed by the Trustee, or by the Bond Registrar, as the case may be. Such certificate of authentication by the Trustee or by the Bond Registrar, as the case may be, upon any Bond executed on behalf of the Authority shall be conclusive and the only evidence that the Bond so authenticated has been duly authenticated and delivered under this Bond Resolution and that the Holder thereof is entitled to the benefit of this Bond Resolution.

**Section 305. Transfer, Exchange and Registry of Bonds and Agency Therefor.** 1. The Authority shall cause and hereby appoints the Bond Registrar as its agent to maintain and to keep books for the registration, the exchange and the transfer of Bonds. Upon presentation of Bonds for transfer or exchange at the designated office of the Bond Registrar, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Holder or by his attorney duly authorized in writing, the Bond Registrar shall register or shall cause to be registered and shall permit to be transferred thereon or to be exchanged any Bond entitled to registration, transfer or exchange. Upon the transfer or exchange of any Bond, the Authority shall execute, and the Trustee or the Bond Registrar shall authenticate and shall deliver a new Bond or Bonds of such Series in any Authorized Denomination registered in the name of the Holder or transferee of the same aggregate principal amount, Series designation and maturity as the surrendered Bond.

2. The Authority and each Fiduciary may deem and treat the Person in whose name any Bond shall be registered upon the books of the Authority as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on such Bond 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 Authority nor any Fiduciary shall be affected by any notice to the contrary. The Authority 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 gross negligence or willful misconduct under this Bond Resolution, in so treating such Registered Owner.

3. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar and canceled or retained by the Bond Registrar. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Authority nor the Bond Registrar shall be required: (a) to exchange or transfer the 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 (15) days next preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed and thereafter until after the mailing of the notice of redemption; or (b) to transfer or exchange any Bonds called for redemption.

**Section 306. Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds.**

In case any Outstanding Bond shall be mutilated, destroyed, stolen or lost, the Authority shall execute and the Trustee or the Bond Registrar, as the case may be, shall authenticate and shall deliver a new Bond, of like tenor, number, Series designation and amount as the Bond so mutilated, destroyed, stolen or lost in exchange and in substitution for and upon surrender of such mutilated Bond or in lieu of and in substitution for the Bond, if any, destroyed, stolen or lost upon filing with the Trustee and the Bond Registrar evidence satisfactory to the Authority, the Trustee and the Bond Registrar that such Bond had been destroyed, stolen or lost and proof of ownership thereof, upon furnishing the Authority, the Trustee and the Bond Registrar with indemnity satisfactory to them, upon paying such expenses as the Authority, the Trustee and the Bond Registrar may incur in connection therewith and upon complying with such other reasonable regulations as the Authority, the Trustee and the Bond Registrar may prescribe. In lieu of reissuing a mutilated, destroyed, lost or stolen Bond that is due and payable, the Trustee and the Bond Registrar may pay the amount due on such Bond to the Owner or the Holder thereof, provided all the other requirements of this Section 306 have been met. Any Bond surrendered for transfer shall be canceled by the Trustee. Any such new Bonds issued pursuant to this Section 306 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Bond Resolution, in any moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders.

**Section 307. Temporary Bonds.** Until the definitive Bonds are prepared, the Authority may execute in the same manner as is provided in Section 303 hereof and, upon the request of the Authority, the Trustee or Bond Registrar shall authenticate and shall deliver in lieu of definitive Bonds but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations and with such omissions, insertions and variations as may be appropriate to temporary Bonds for notation thereon of the payment of such interest. The Authority at its own expense shall prepare and shall execute and, upon the surrender for exchange and for cancellation of such temporary Bonds, the Trustee or the Bond Registrar shall authenticate and shall deliver in exchange therefor definitive Bonds of the Authority without charge to the Holder thereof.

**Section 308. Payment of Interest on Bonds; Interest Rights Preserved.** 1.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Record Date or any date which is the fifteenth (15th) day next preceding an Interest Payment Date or as shall be provided in a Supplemental Resolution authorizing any additional Series of Bonds.

2. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (hereinafter "Default Interest") shall forthwith cease to be payable to the Registered Owner on the relevant Record Date by virtue of having been such Owner; and such Default Interest shall be paid by the Authority to the Persons in whose names the Bonds are registered at the close of business on a date (hereinafter the "Special Record Date") for the payment of such Default Interest, which shall be fixed in the following manner. The Authority shall notify the Trustee, in writing, of the amount of Default Interest proposed to be paid on each Bond and the date of the proposed payment ("Default Interest Payment Date") (which date shall be not less than twenty-five (25) days after such notice), and at the same time the Authority shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Default Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Default Interest herein provided. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Default Interest, which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the Default Interest Payment Date, and which Special Record Date shall be fixed by the Trustee within ten (10) days after the receipt by the Trustee of the notice of the proposed payment from the Authority. The Trustee shall promptly notify the Authority of such Special Record Date and Default Interest Payment Date and, in the name and at the expense of the Authority, shall cause notice of the proposed payment of such Default Interest and the Special Record Date and Default Interest Payment Date therefor to be mailed, first class postage prepaid, to each Bondholder at his address as it appears in the registry books, not less than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section 308, each Bond delivered under this Bond Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

**Section 309. Cancellation and Destruction of Bonds.** All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment is made, and such Bonds 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 authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

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## ARTICLE IV

### REDEMPTION OF BONDS

**Section 401. Privilege of Redemption and Redemption Price.** Bonds subject to redemption prior to maturity pursuant to this Bond Resolution or 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 Award Certificate pertaining to the Series 2014 Bonds and the Supplemental Resolution authorizing Refunding Bonds or in the Award Certificate pertaining to such Series of Refunding Bonds. The written consent of the County to effectuate a redemption of any Series of Bonds shall be received by the Authority prior to the redemption of a particular Series of Bonds, except for the redemption of Bonds pursuant to mandatory sinking fund redemption. A copy of such written consent of the County shall be received by the Trustee prior to the mailing of the notice of redemption in accordance with Section 405 hereof. Except as may be otherwise provided in a Supplemental Resolution authorizing a Series of Bonds or in the Award Certificate pertaining to such Series of Bonds, any Series of Bonds may be redeemed in whole or in part on any date by the Authority, at the written direction of the County, in accordance with this Bond Resolution or a Supplemental Resolution or Award Certificate, as applicable.

**Section 402. Redemption at the Election or Direction of the Authority.** In the case of any redemption of Bonds (including any Series thereof) by the Authority, at the written direction of the County, the Authority shall give written notice to the Trustee of the election or direction of the County to so redeem, except for the redemption of Bonds pursuant to mandatory sinking fund redemption, in accordance herewith, 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 Authority, upon the written consent of the County, subject to any limitations with respect thereto contained in this Bond Resolution). Such notice shall be given at least sixty (60) 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 provided in Section 405, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount in cash or noncallable Investment Securities 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 thereon and unpaid to the redemption date, all of the Bonds to be so redeemed. The Authority shall promptly notify the Trustee, in writing, of all such payments by it to such Paying Agents.

**Section 403. Redemption Otherwise Than at the Authority's Election or Direction.** Whenever by the terms of this Bond Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, provided that if such redemption is required to be consented to, in writing, by the County, such written consent has been delivered to the Trustee, 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 thereon and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV.

**Section 404. Selection of Bonds to be Redeemed.** Unless otherwise provided in this Bond Resolution, if less than all of the Bonds of a Series of like maturity shall be called for prior redemption, the particular Bonds or portions of Bonds of a Series to be redeemed shall be selected at random by the Trustee; provided, however, that the portion of any Bond of a Series of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Bonds of a Series for redemption, the Trustee shall treat each such Bond of a Series as representing that number of Bonds of such Series of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Bond of the Series to be redeemed in part.

**Section 405. Notice of Redemption.** When the Trustee shall receive notice from the Authority of the election or direction of the County to redeem Bonds pursuant to Section 402 hereof, except for the redemption of Bonds pursuant to mandatory sinking fund redemption, and when redemption of Bonds is authorized or required pursuant to Section 403 hereof and the Trustee shall have received written notice from the County of its consent to the redemption of the Bonds, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series designation and maturities of the Bonds to be redeemed, the Redemption Price, 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 amount thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the Registered Owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure to give notice by mail, or any defect in the notice to the Registered Owner of any Bonds which are to be redeemed, shall not affect the validity of the proceedings for the redemption of any other Bonds.

Any notice of redemption of the Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the Redemption Price, together with interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds being on deposit with the Paying Agent to pay the Redemption Price on the redemption date, the corresponding conditional notice of redemption shall be deemed to have been revoked *nunc pro tunc* and shall be deemed to be null and void as if never given and such Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

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 thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if a 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.

The Trustee shall comply with any notice or other requirements of DTC to effectuate a redemption of Bonds. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

**Section 406. Payment of Redeemed Bonds.** Notice having been given in the manner provided in Section 405 hereof, 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 thereon 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 thereon and unpaid to the redemption date. If there shall be called for redemption less than all of a Bond of like Series, the Authority shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, fully registered Bonds of like Series and maturity in any Authorized Denominations.

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## ARTICLE V

### ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

**Section 501. The Pledge Effected by This Bond Resolution and Security for the Bonds.** 1. There is hereby pledged and assigned as security for the payment of the principal of, redemption premium, if any, and interest on the Bonds in accordance with their terms and the provisions of this Bond Resolution, subject only to the provisions of this Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Bond Resolution, all of the Pledged Property.

2. All Pledged Property shall immediately be subject to the lien of the pledge made herein for the benefit of the Bondholders without any physical delivery thereof or further act, or any filing, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

3. The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement and the County Bonds, 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 Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement and the County Bonds, the County, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by the Loan Agreement and the County Bonds, the County. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement and the County Bonds, the County, is obligated to pay the principal of and interest on the Bonds issued in anticipation thereof and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof other than, as applicable under and limited by the Loan Agreement and the County Bonds, the County, is pledged to the payment of the principal of and interest on the Bonds, but all Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement and the County Bonds, as authorized in the Act.

4. The Authority hereby assigns its right to receive all Revenues, including all amounts to be received by the Authority from the County under the Loan Agreement (except for Additional Loan Payments) and the County Bonds, to the Trustee for the benefit of the Bondholders and covenants and directs the County pursuant to the Loan Agreement and the County Bonds to pay all such amounts (except for Additional Loan Payments) directly to the Trustee. The Authority further covenants that all moneys paid by the County pursuant to the County Bonds shall be paid directly to the Trustee for deposit in accordance with Section 506 hereof.

5. Nothing contained in this Section 501 shall be deemed a limitation upon the authority of the Authority to issue bonds, notes or other obligations under the Act secured by revenues and funds other than the Pledged Property including, without limitation, bonds, notes or other obligations secured by Federal or State grants.

**Section 502. Establishment of Funds.** The following Funds are hereby created and established:

- (1) Acquisition Fund, including an Account established therein for the Series 2014 Bonds and the 2014 Project, to be held by the Trustee, on behalf of the Authority;
- (2) Revenue Fund, including Accounts established therein for the Series 2014 Bonds and any Series of Refunding Bonds, to be held by the Trustee, on behalf of the Authority;
- (3) Operating Fund, including Accounts established therein for the Series 2014 Bonds and any Series of Refunding Bonds, to be held by the Trustee, on behalf of the Authority;
- (4) Proceeds Fund, including an Account established therein for the Series 2014 Bonds and the 2014 Project, to be held by the Trustee;
- (5) Debt Service Fund, including Accounts established therein for the Series 2014 Bonds and any Series of Refunding Bonds, to be held by the Trustee;
- (6) Debt Retirement Fund, including Accounts established therein for the Series 2014 Bonds and any Series of Refunding Bonds, to be held by the Trustee; and
- (7) Rebate Fund, including Accounts established therein for the Series 2014 Bonds and any Series of Refunding Bonds, to be held by the Trustee, on behalf of the Authority.

The Trustee may designate for each Fund or Account established hereunder such number, letter or symbol as may be necessary to distinguish such Funds or Accounts from other Funds and Accounts of the Authority held by the Trustee for any Series of Bonds.

**Section 503. Acquisition Fund.** 1. There shall be established within the Acquisition Fund a separate Account for the Series 2014 Bonds and the 2014 Project.

2. There shall be paid into such Account: (i) the amounts required to be so paid by the provisions of this Bond Resolution, including any proceeds from the Loan in accordance with Section 203(8)(c) hereof; (ii) any Proceeds received with respect to the 2014 Project pursuant to Sections 7.06 and 7.07 of the Loan Agreement; (iii) amounts received from the County pursuant to Section 4.11 of the Loan Agreement and subsection 6 of this Section 503; (iv) amounts received from the County from the conveyance or exchange of facilities and/or equipment previously acquired with the proceeds of the Loan and applied pursuant to Section 6.06(C)(i) of the Loan Agreement; and (v) at the option of the Authority at the written direction of the County, any moneys received by the Authority or the County for or in connection with the 2014 Project from any other source, unless required to be otherwise applied in accordance with this Bond Resolution. All amounts in the 2014 Account in the Acquisition Fund shall be applied in the following order and priority: (i) to pay the Costs of the 2014 Project or to reimburse the County, on behalf of the Technical School, or the Technical School for any Costs of the 2014

Project paid by either, in accordance with reimbursement resolutions adopted by the County and the Technical School, respectively; and (ii) to the extent not otherwise utilized, moneys in the 2014 Account in the Acquisition Fund shall be transferred to the 2014 Account in the Debt Service Fund and applied by the Trustee in accordance with subsection (4) of this Section 503.

3. The Authority shall authorize the Trustee to make payments from the 2014 Account in the Acquisition Fund for the Costs of the 2014 Project in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection (3). Before any such payment shall be made, there shall be filed by the County or the Authority with the Trustee a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit B to the Loan Agreement, signed by an Authorized Authority Representative or an Authorized County Representative and approved by an Authorized Technical School Representative, stating in respect of each payment to be made: (i) the requisition number; (ii) that such payment is to be made from the 2014 Account in the Acquisition Fund; (iii) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the Authority or the County for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the Authority or the County; (iv) the amount to be paid, which amount represents the payment due to the Person referenced in clause (iii) above, or 100% of the payment previously made by the Authority or the County; (v) the particular item of Cost to be paid to which the requisition relates; (vi) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the 2014 Project, is unpaid or unreimbursed, and is a proper charge against the 2014 Account in the Acquisition Fund and has not been the basis of any previously paid withdrawal or requisition; (vii) that the public contracts bidding laws applicable to the contract pursuant to which payment is being requested have been complied with; (viii) if such payment is a reimbursement to the Authority or the County for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the County, that the amount to be paid does not exceed the actual cost thereof to the Authority or the County; (ix) that no uncured Event of Default has occurred under the Loan Agreement (as defined under Section 8.01 thereof) or under this Bond Resolution and everything required to be performed by the County and/or the Technical School has been performed; (x) the Authority, the County or the Technical School has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons named therein, or if any of the foregoing has been received, it has been released and discharged or will be released and discharged upon payment of the requisition; and (xi) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Investment Securities which should be liquidated for the payment thereof. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method, arrange to make the payment required by such requisition. The Trustee shall have no obligations hereunder and may rely on the requisition if properly signed.

4. The completion of the 2014 Project by the County and the Technical School shall be evidenced by a certificate or certificates signed by an Authorized County Representative and approved by an Authorized Technical School Representative which shall be in substantially the form set forth in Exhibit C to the Loan Agreement, and which shall be delivered and filed with the Trustee and the Authority, stating: (i) that such 2014 Project is complete or has been substantially completed; (ii) the date of completion of the 2014 Project;

(iii) the Cost of all labor, services, materials and supplies used in the 2014 Project have been paid or will be paid from amounts retained by the Trustee at the Authority's and County's direction for any Cost of the 2014 Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the 2014 Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the 2014 Project is an authorized "project" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the 2014 Project have been obtained and are in effect. Upon the filing of such Completion Certificate, the balance in the 2014 Account in the Acquisition Fund in excess of the amount stated in item (iii) of the Completion Certificate described above, if any, shall be transferred by the Trustee for deposit at the written direction of an Authorized County Representative (a copy of which Completion Certificate shall also be provided by the County to the Authority), in either: (i) the 2014 Account in the Debt Retirement Fund for application to the retirement of Series 2014 Bonds by purchase or redemption; or (ii) the 2014 Account in the Debt Service Fund. 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 any remaining part of the Cost of the 2014 Project are no longer so required, such fact shall be evidenced by a certificate or certificates signed by an Authorized County Representative delivered and filed with the Trustee and the Authority stating such fact and the amount no longer required to be paid, and any amount shown therein as no longer being required, shall be transferred to the Trustee for application as provided in the preceding sentence. Notwithstanding the foregoing, such Completion Certificate shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being.

5. Any damages or other moneys from any contractor, subcontractor, manufacturer, supplier or any party to any contract for the 2014 Project or its surety due and owing to the County and/or the Technical School pursuant to Section 4.10 of the Loan Agreement shall be paid to the Trustee for deposit in the 2014 Account in the Acquisition Fund (in accordance with written instructions from the Authority as directed in writing by the County and the Technical School) to complete the 2014 Project. Any such moneys not necessary to complete the 2014 Project or not so applied, as stated in a certificate executed by an Authorized County Representative, Authorized Technical School Representative and Authorized Authority Representative delivered to the Trustee, shall be transferred by the Trustee to the 2014 Account in the Proceeds Fund and applied as a credit toward the County's Loan Payment obligations on the next succeeding Loan Payment Date, in accordance with Section 507(2) and (3) hereof.

6. (a) In the event the Cost of the 2014 Project shall exceed the amount available to the County and the Technical School from the proceeds of the Loan, pursuant to Section 4.11 of the Loan Agreement, the County and/or the Technical School shall be obligated to pay, as additional payments under Section 5.02(B)(ii) of the Loan Agreement, such sums as may be required to pay the Cost of the 2014 Project in excess of the amount available to the County and the Technical School from the proceeds of the Loan out of funds legally available therefor. Payment of such additional amounts shall be made by the County and/or the Technical School at the time or times and in the amount or amounts required for the payment of such excess Cost as the same becomes due and payable. Such additional moneys shall be paid by the County and/or the Technical School to the Trustee for deposit in the 2014 Account in the Acquisition Fund and the Trustee shall pay the Cost thereof in accordance with the procedures outlined in Section 4.03 of the Loan Agreement and subsection (3) of this Section 503.

(b) In the event the County and/or the Technical School pays to the Trustee sums needed to fund the balance of the Cost of the 2014 Project in accordance with the provisions of Section 4.11(a) of the Loan Agreement, the County and the Technical School shall complete Exhibit E attached to the Loan Agreement to reflect: (i) the amount of moneys to be withdrawn from the 2014 Account in the Acquisition Fund to pay the Cost of the 2014 Project, (ii) the amount of money forwarded to the Trustee by the County and/or the Technical School for deposit in the 2014 Account in the Acquisition Fund to make up the deficiency in such Cost of the 2014 Project, and (iii) the total Cost of the item being requisitioned, which certificate shall be signed by an Authorized County Representative and Authorized Technical School Representative and delivered and filed with the Trustee.

**Section 504. Revenue Fund.** Except as set forth in Sections 505 and 603 hereof, all Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund and shall be applied as set forth in Section 506 hereof. All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the Holders but shall nevertheless be disbursed and applied solely for the uses and purposes set forth in this Article V.

**Section 505. Operating Fund.** 1. Pursuant to an order of the Authority simultaneously delivered to the Trustee upon the original issuance of the Series 2014 Bonds and the initial advance of the Loan and, thereafter, upon the original issuance of any Series of Refunding Bonds, any proceeds of the Loan or Bond proceeds, as the case may be, representing costs of issuance and the Initial Authority Financing Fee shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with subsection (2) of this Section 505.

2. Amounts deposited in the Operating Fund shall be paid out by the Trustee pursuant to written direction of the Authority and the County from time to time for costs of issuance and Authority Administrative Expenses, including expenses incurred by the Authority to perform an arbitrage rebate calculation, upon requisition therefor submitted to the Trustee and signed by an Authorized Authority Representative stating: (i) the name of the Person, firm or corporation to whom each such payment is due; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation in the stated amounts has been or will be incurred; and (iv) each obligation in the stated amount has been or will be incurred by or on behalf of the Authority and that each item thereof is a proper charge against the Operating Fund and has not been previously paid. To the extent such amounts deposited therein pursuant to the immediately preceding sentence are not spent within ninety (90) days of the Issue Date of the Series 2014 Bonds and any Series of Refunding Bonds, the Trustee shall, without further direction, deposit in the applicable Account of the Debt Service Fund any balance then remaining for such Series of Bonds unless the County requests, in writing (with a copy to the Authority), that such balance remain in the Operating Fund for an additional period of time as specified in such request.

3. Amounts paid by the County as Additional Loan Payments for the performance of an arbitrage rebate calculation pursuant to Section 6.14 of the Loan Agreement and payment of, among other expenses, the annual Authority Administrative Expenses shall be paid to the Trustee and the Trustee shall deposit the same in the Operating Fund. Such amounts shall be paid by the Trustee to the Authority in accordance with subsection (2) of this Section 505.



**Section 506. Payments From the Revenue Fund into Certain Funds. 1.**

As soon as practicable after the deposit of Revenues into the Revenue Fund, but in any case no later than 3:00 p.m. of the second Business Day immediately following a Loan Payment Date or after the deposit of any Revenues in the Revenue Fund payable by the County upon demand pursuant to Sections 5.02(a) and (b) of the Loan Agreement, respectively, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows: (i) Revenues representing Loan Payments made by the County pursuant to Section 5.02(a) of the Loan Agreement, the amount of such payment being in accordance with Exhibit A attached to the Loan Agreement, shall be deposited in the Debt Service Fund in accordance with Section 508 hereof or, in the case of any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, to the Debt Retirement Fund; (ii) moneys paid by the County pursuant to the County Bonds in accordance with Section 508(2) hereof shall be immediately deposited in the Debt Service Fund, upon the written direction of an Authorized Authority Representative; (iii) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06(c)(ii) of the Loan Agreement shall immediately be deposited in the Debt Service Fund and applied in accordance with the provisions of Section 508 hereof; (iv) Revenues representing Additional Loan Payments made by the County pursuant to Section 5.02(B) of the Loan Agreement including the annual Authority Administrative Expenses shall immediately be deposited in the Operating Fund and applied in accordance with the provisions of Section 505(3) hereof; and (v) any investment earnings on any moneys held in any Fund and required to be transferred to the Revenue Fund pursuant to the provisions of this Bond Resolution, such that the total balance in the Debt Service Fund shall equal the Debt Service Requirement on each such Series of Bonds for the next respective succeeding Interest Payment Date and Principal Installment Date, as applicable, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be included in the balance of the Debt Service Fund that amount of such proceeds to be applied in accordance with this Bond Resolution to the payment of interest accrued and unpaid and to accrue on such Series of Bonds to the next Interest Payment Date as set forth in an order of the Authority to the Trustee; provided, however, that so long as there shall be held in the Debt Service Fund an amount sufficient and available to pay in full all Outstanding Bonds of a particular Series in accordance with their terms (including principal thereof and interest thereon) no transfers shall be required to be made from the Revenue Fund to the Debt Service Fund.

2. Revenues consisting of proceeds representing damages or other moneys from any contractor, subcontractor, manufacturer, supplier or surety shall be immediately credited in accordance with Sections 503(5) and 507(2) hereof.

3. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in any Funds shall be transferred upon receipt to the Revenue Fund, except that: (i) such net interest earned on any moneys or investments in the Debt Service Fund shall be held in such Fund for the purposes thereof and shall be paid into such Fund in accordance with the provisions of Section 603(2) hereof and shall be applied in accordance with the provisions hereof; and (ii) interest earned on any moneys or investments in the 2014 Account in the Acquisition Fund shall be held in such Account in the Acquisition Fund until delivery of a Completion Certificate for the 2014 Project as required by Section 503(4) of this Bond Resolution at which time such moneys shall be applied in accordance with Section 603(2) hereof.

**Section 507. Proceeds Fund.** 1. Revenues paid to the Trustee pursuant to Section 4.10 of the Loan Agreement and Section 503(5) hereof and not necessary to complete the 2014 Project or not so applied shall be transferred by the Trustee, upon receipt of a certificate of an Authorized County Representative delivered to the Trustee stating the amount of money to be so transferred, from the 2014 Account in the Acquisition Fund to the 2014 Account in the Proceeds Fund and applied as a credit toward the County's Loan Payment obligations pursuant to subsections (2) and (3) below.

2. Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to Section 4.10 of the Loan Agreement and deposited in the 2014 Account in the Acquisition Fund in accordance with Section 503(5) hereof and not necessary to complete the 2014 Project or not otherwise applied to complete the 2014 Project shall be transferred by the Trustee to the 2014 Account in the Proceeds Fund. Proceeds on deposit in the 2014 Account in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the County on each Loan Payment Date for the payment of Debt Service on the Series 2014 Bonds by the transfer of such proceeds to the 2014 Account in the Debt Service Fund as set forth in a certificate of an Authorized County Representative filed with the Trustee at the time of the deposit of the proceeds into the 2014 Account in the Proceeds Fund.

3. To the extent moneys in the 2014 Account in the Debt Service Fund are sufficient to satisfy the amount of Loan Payments due and owing by the County for such Bond Year, any such proceeds on deposit in the 2014 Account in the Proceeds Fund or any other Revenues deposited therein shall remain in said 2014 Account in the Proceeds Fund and shall be transferred thereafter into the 2014 Account in the Debt Service Fund on each Loan Payment Date for the payment of Debt Service on the Series 2014 Bonds until such proceeds or any other Revenues are exhausted. The application of such proceeds or any other Revenues deposited therein in accordance herewith shall be credited toward the Loan Payments due and owing from the County in any Bond Year. Any such proceeds or any other Revenues deposited in the 2014 Account in the Proceeds Fund shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized County Representative, in consultation with Bond Counsel.

**Section 508. Debt Service Fund.** 1. Pursuant to Section 506(1)(i) hereof, Revenues representing Loan Payments from the County under the County Bonds on or before any Loan Payment Date shall be transferred to and deposited in the Debt Service Fund not later than 3:00 p.m. on the first Business Day thereafter by the Trustee. Not later than 3:00 p.m. on the first Business Day after any Loan Payment Date, the Trustee shall determine whether the amounts on deposit in the Debt Service Fund, after all Revenues representing the Loan Payments from the County and payments from the State described above originally deposited in the Revenue Fund and transferred to and deposited in the Debt Service Fund in accordance with the provisions hereof are sufficient to meet the Debt Service Requirement on all Outstanding Bonds for the next succeeding Interest Payment Date and Principal Installment Date, as applicable. Subject to and after the application of the provisions of Section 509 hereof, in the event such amounts in the Debt Service Fund are insufficient to meet such Debt Service Requirement on the Outstanding Bonds, the Trustee shall give written notice thereof, by facsimile transmission in accordance with Section 1312 hereof, to the Authority and the Authorized County Representative of such deficiency no later than 4:00 p.m. of the first Business Day after such

Loan Payment Date, which notice shall state the amount of such deficiency as at the close of business on any Loan Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The notice to the Authorized County Representative and the Authority shall also include the amount of the Interest Payment and Principal Installment, as applicable, due and payable and the amount required to be paid by the County to cure such deficiency and to enable the Trustee to make a Debt Service payment on the Outstanding Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. The receipt of any such notice by the Authorized County Representative shall be acknowledged by the Authorized County Representative to the Trustee within one (1) Business Day after receipt thereof. If the nonpayment of the County is not cured by the applicable Interest Payment Date and Principal Installment Date, as applicable, the County, pursuant to the terms of the County Bonds, shall pay to the Trustee, not later than such Interest Payment Date or Principal Installment Date, as applicable, any and all amounts required to pay Debt Service on the Outstanding Bonds.

2. All moneys paid by the County pursuant to the County Bonds shall be immediately deposited in the Debt Service Fund, which moneys shall be applied to the payment of Debt Service on the Outstanding Bonds on such Interest Payment Date or Principal Installment Date, as applicable. Any payment by the County pursuant to the County Bonds shall be a credit against the corresponding obligation of the County to make Loan Payments and Additional Loan Payments under Article V of the Loan Agreement and shall fulfill the County's obligation to pay such amounts under the Loan Agreement.

3. (a) On each Interest Payment Date, the Trustee shall make available to the Paying Agent from moneys available in the Debt Service Fund an amount which equals the interest on each Series of Outstanding Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such interest on the Interest Payment Date, and (b) on the Principal Installment Date of each Series of Outstanding Bonds, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal of each Series of Outstanding Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal on the Principal Installment Date. The Trustee may also pay out of the Debt Service Fund the accrued interest included in the purchase price of each Series of Outstanding Bonds, pursuant to the provisions of subsection (4) below.

4. The amount, if any, deposited in the Debt Service Fund representing accrued interest, if any, on the proceeds of the Series 2014 Bonds and any Series of Refunding Bonds, shall be set aside in the Account established for such Series of Bonds in such Fund and applied, in accordance with written instructions of the Authority delivered to the Trustee prior to the authentication of such Series of Bonds, to the payment of accrued interest on such Series of Bonds as the same becomes due and payable.

5. In the event of the refunding of any Bonds, the Trustee shall, if an Authorized Authority Representative so directs, in writing, withdraw from the applicable Account in the Debt Service Fund established for the Bonds being refunded all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded, and set aside such amounts to be held in trust as set forth in such written direction; provided that such withdrawal shall not be made unless: (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 1301(2) hereof; and (ii) 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 subsection (1) of this Section 508 with respect to the Debt Service Requirement on each Outstanding Series of Bonds and Section 506 hereof.

6. The amount, if any, deposited in the 2014 Account in the Debt Service Fund representing capitalized interest on the Series 2014 Bonds, if any, shall be set aside and applied, in accordance with the written instructions of the Authority delivered to the Trustee prior to the authentication of the Series 2014 Bonds, to the payment of interest due thereon on each Interest Payment Date for the period of time specified in such written instructions.

7. Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06 of the Loan Agreement and deposited in the 2014 Account in the Debt Service Fund shall immediately be applied to the payment of Debt Service on the Series 2014 Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. To the extent such moneys cannot be used to pay Debt Service on the Series 2014 Bonds within thirteen (13) months of deposit, such moneys shall be transferred to the 2014 Account in the Proceeds Fund and applied in accordance with the provisions of Section 507(3) hereof.

**Section 509. Debt Retirement Fund.** 1. Subject to the limitations contained in subsection (4) of this Section 509, if, on any Loan Payment Date prior to any Interest Payment Date or Principal Installment Date, as the case may be, the amount on deposit in the Debt Service Fund shall be less than the amount required to be in such Fund pursuant to subsection (1) of Section 506, the Trustee shall transfer from the Debt Retirement Fund to the Debt Service Fund an amount (or all of the moneys in the Debt Retirement Fund if less than the amount required) which will be sufficient to make up such deficiency.

2. To the extent not required to make up a deficiency as required in subsection (1) of this Section 509, amounts in the Debt Retirement Fund shall be applied, as rapidly as practicable in the case of mandatory redemption, or, at the written direction of an Authorized County Representative, to the purchase or optional redemption (including redemption premium, if any) of the applicable Series of Bonds.

3. Upon any purchase or redemption pursuant to this Section 509 of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established or delivery to the Trustee for cancellation by the Authority of Bonds of such Series or maturity, there shall be credited toward each such Sinking Fund Installment thereafter to become due an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased, redeemed, or delivered for cancellation bears to the total amount of all such Sinking Fund Installments to be credited. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

4. The transfers required by subsection (1) of this Section 509 shall be made from amounts in the Debt Retirement Fund only to the extent that such amounts are not then

required to be applied to the redemption of Bonds of such Series for which notice of redemption shall have been given by the Trustee to Bondholders.

**Section 510. Satisfaction of Sinking Fund Installments.** 1. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least sixty (60) days prior to the date of such Sinking Fund Installment, for cancellation, Bonds of the Series and maturity entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate Redemption Price of such Bonds applicable on the date of such Sinking Fund Installment (or the principal amount thereof if such date be the date of maturity of such Bonds), provided that concurrently with such delivery of such Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Authority Representative specifying: (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered; (ii) the date of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered; (iii) the aggregate Redemption Price on the date of such Sinking Fund Installment (or the principal amount in the case of any Series of Bonds which mature on such Sinking Fund Installment date) of any Bonds so delivered, and (iv) the unsatisfied balance of such Sinking Fund Installment after giving effect to the delivery of such Bonds.

2. The Trustee shall, upon receipt of the notice required and in the manner provided in Article IV hereof, call for redemption on the date of each Sinking Fund Installment falling due prior to maturity such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

**Section 511. Application of Moneys in the Rebate Fund.** (a) The Authority shall determine or shall cause to be determined the amounts necessary to equal the rebate requirement and shall cause the County to deposit such amount in the Rebate Fund and the Authority shall transfer or cause to be transferred by the Trustee at such times and to such Person as required by Section 148 of the Code an amount equal to the rebate requirement from the Rebate Fund. To the extent such amounts on deposit in the Rebate Fund are not sufficient to meet the rebate requirement, amounts shall be immediately paid by the County to the Trustee for deposit in the Rebate Fund.

Notwithstanding anything contained in this Bond Resolution to the contrary, neither the Authority nor the Trustee shall be responsible or liable for any loss, liability, or expense incurred to the extent incurred as a result of the failure of the County to fulfill its obligations with respect to the calculation and payment of the rebate requirement.

(b) The Trustee, as directed by an Authorized Authority Representative, shall apply or cause to be applied the amounts in the Rebate Fund at the times and in the amounts required by Section 148 of the Code solely for the purpose of paying the United States in accordance with Section 148 of the Code.

(c) Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Investment Securities defined in clause (a)(1) of such definition, as shall be directed by an Authorized Authority Representative, upon written direction of the County, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to

be made from such Fund. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

(d) Pursuant to the provisions of Section 603(4) hereof, investment earnings from the Revenue Fund and Operating Fund may be deposited in the Rebate Fund upon written direction of an Authorized Authority Representative, upon written direction of the County, to the Trustee.

**Section 512. Moneys Remaining in Funds and Accounts; Reimbursement of Fiduciary and Authority.** Except as set forth in Section 1302 hereof with respect to unclaimed funds, upon the final maturity of any Series of Bonds issued hereunder, any moneys remaining in the Funds and Accounts held under this Bond Resolution for such Series of Bonds shall be paid to each such Fiduciary (to the extent each such Fiduciary has incurred expenses which remain unpaid or unreimbursed, as the case may be) and the Authority (to the extent the Authority has incurred Authority Administrative Expenses which remain unpaid or unreimbursed, as the case may be), by the Trustee, free and clear of the lien and pledge of this Bond Resolution, to the extent required to reimburse such Fiduciary for such expenses and, thereafter, the balance therein (but not including unclaimed funds resulting from defeased bonds of any Series) shall be paid and shall belong to the County free and clear of the lien and pledge of this Bond Resolution.

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## ARTICLE VI

### DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

**Section 601. Depositories.** 1. All moneys deposited under the provisions of this Bond Resolution with the Trustee shall constitute trust funds and shall be held in trust and applied only in accordance with the provisions of this Bond Resolution, and each of the Funds and Accounts established by this Bond Resolution shall be a trust fund for the purpose thereof held for the benefit of the Authority and the County, as applicable. The Authority may deposit such moneys with the Trustee in trust for the Authority and the County.

2. Any Fiduciary shall be a bank or trust company organized under the laws of the State or any other state or a national banking association having capital stock, surplus and undivided earnings of \$100,000,000 or more and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Bond Resolution. No moneys shall be deposited with any Fiduciary in any amount exceeding fifteen percent (15%) of the amount which an officer of such Fiduciary shall certify to the Authority as to the capital stock and surplus of such Fiduciary.

**Section 602. Deposits.** 1. All Revenues and moneys held by the Trustee or a Fiduciary under this Bond Resolution may be placed on demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed.

2. All moneys held under this Bond Resolution by the Trustee or any Fiduciary shall be: (i) either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, or (b) continuously and fully secured by lodging with the Trustee or any Federal Reserve Bank, as custodian, as collateral security, such securities as are described in clauses (a)(1) and (2) of the definition of "Investment Securities" in Section 101 hereof having a market value at the time of deposit (exclusive of accrued interest) not less than the amount of such moneys; or (ii) secured in such other manner as may then be required by applicable Federal or State laws and regulations and applicable state laws and regulations of the state in which the Trustee or such Fiduciary (as the case may be) is located, regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Fiduciaries to give security under this subsection (2) for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of and interest on any Series of Bonds, or to give security for any moneys which shall be represented by Investment Securities purchased as an investment of such moneys.

3. All moneys deposited with the Trustee shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in Section 603 hereof, the moneys credited to

each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee.

**Section 603. Investment of Certain Funds.** 1. Moneys held in the Revenue Fund or the Debt Service Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in its money market fund as defined in clause (a) of the definition of "Investment Securities" in Section 101 hereof, which Investment Securities shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Acquisition Fund, the Debt Retirement Fund, the Proceeds Fund and the Operating Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Rebate Fund, if any, shall be invested and reinvested in accordance with the written instructions received from any Authorized Authority Representative, upon the written direction of the County. The Trustee shall make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Authority Representative, upon the written direction of the County. In making any investment in any Investment Securities with moneys in any Fund established under this Bond Resolution, the Authority, upon the written direction of the County, may instruct the Trustee, in writing, to combine such moneys in any other Fund, if permitted hereunder, but solely for purposes of making such investment in such Investment Securities.

2. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the 2014 Account in the Acquisition Fund and applied in accordance with the provisions of Section 506(3) hereof. The Trustee shall annually notify the County and the Authority, in writing, of such application of such interest and earnings in the 2014 Account in the Acquisition Fund. Interest earned on any moneys or investments in the 2014 Account in the Acquisition Fund shall be held in such Account until the delivery of a Completion Certificate for the 2014 Project by an Authorized County Representative as required by Section 503(4) of this Bond Resolution at which time such moneys shall be applied in accordance with the provisions of the Completion Certificate. Any remaining interest earned on any moneys or investments in the 2014 Account in the Acquisition Fund shall be held in such Fund until the delivery of a Completion Certificate by an Authorized County Representative as required by Section 503(4) of this Bond Resolution at which time such moneys shall be applied in accordance with the provisions of the Completion Certificate.

3. In the absence of written investment direction from an Authorized Authority Representative, the Trustee may invest moneys which the Authority has failed to direct in money market funds as defined in clauses (b)(2) and (6) of the definition of "Investment Securities" in Section 101 hereof customarily invested in by the Trustee.

4. Notwithstanding anything herein to the contrary, the Authority, upon the written direction of the County, may direct the Trustee to deposit earnings from the Revenue Fund and Operating Fund into the Rebate Fund to pay any amounts required to be set aside for rebate to the Internal Revenue Service pursuant to the Code.



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

6. Nothing in this Bond Resolution shall preclude the Trustee from investing or reinvesting moneys through its bond department; provided, however, that the Authority, upon the written direction of the County, may, in its discretion, direct that such moneys be invested or reinvested in a manner other than through such bond department.

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

In computing the amount in any Fund or Account created under the provisions of this Bond Resolution for any purpose provided in this Bond Resolution, obligations purchased as an investment of moneys therein shall be valued at the lesser of cost or market value thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such valuation shall be determined on a monthly basis on the basis of monthly statements produced by the Trustee.

Except as otherwise provided in this Bond Resolution, the Trustee shall sell at the best price reasonably obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever either shall be requested, in writing, by an Authorized Authority Representative to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund or Account held by it. In lieu of such sale or presentment for redemption, the Trustee may, in making the payment or transfer from any Fund or Account mentioned in the preceding sentence, transfer such investment obligations or coupons for interest appertaining thereto if such investment obligations or coupons shall mature or be collectable at or prior to the time the proceeds thereof shall be needed.

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

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## ARTICLE VII

### LOAN TO THE COUNTY

**Section 701. Terms and Conditions for Loan.** Upon receipt by the Trustee of the County Bonds, the Authority shall loan the proceeds of the Bonds (including the Series 2014 Bonds) to the County, on behalf of the Technical School and shall enter into the Loan Agreement in the manner, on the terms and conditions and upon submission of the documents required by this Article VII.

**Section 702. Form of Loan Agreement.** The Loan Agreement shall be in such form as an Authorized Authority Representative determines, with such changes therein as shall be approved by the Authority, as conclusively evidenced by the execution thereof by an Authorized Authority Representative, provided, however, that the Loan Agreement shall in any event conform in all material respect to the provisions of this Bond Resolution.

**Section 703. Delivery of Documents in Connection With the Loan Agreement.** Prior to or at the execution and delivery of the Loan Agreement and the closing of a Series of Bonds, the Authority and the Trustee shall have received the following documents:

1. An opinion of County Counsel and/or County Bond Counsel to the effect that: (i) the County has the right and power under the Local Bond Law to adopt the County Bond Ordinance and the County Bond Ordinance has been duly and lawfully adopted by the County, is in full force and effect and is valid and binding upon the County enforceable in accordance with its terms and no other authorization for the County Bond Ordinance is required; (ii) the County Bonds are the valid, binding general obligation of the County enforceable in accordance with its terms and payments thereunder are payable out of the first funds becoming legally available to the County for such purpose and if such funds are not available, the County has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the County for the purpose of making payments under the County Bonds, without limitation as to rate or amount; (iii) the County Bonds have been duly and validly authorized and issued in accordance with applicable law, including the Act and the Local Bond Law and are in full force and effect on the date of issuance of the Bonds, provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy; and (iv) the Loan Agreement was duly authorized by the County in accordance with the County Authorizing Resolution and is a valid and binding contractual obligation of the County;

2. Counterparts of the Loan Agreement executed by the County and the Technical School;

3. Certified copies of the authorization proceedings for the County Authorizing Resolution adopted by the County;

4. The County Bonds and certified copies of the County Bond Ordinance authorization proceedings for the issuance of the County Bonds adopted by the County;

5. A certified copy of the resolution adopted by the governing body of the Technical School authorizing the financing of the 2014 Project by the County on behalf of and for the benefit of the Technical School and the execution and delivery of the Loan Agreement; and

6. Such other certificates, documents, opinions and information as the Authority and Bond Counsel may reasonably require in connection with the execution, delivery and implementation of the Loan Agreement and the issuance of such Series of Bonds.

All opinions and certificates required under this Section 703 shall be dated the closing date of such Series of Bonds and all such opinions shall be addressed to the Authority, the underwriter (or, in the case of the Series 2014 Bonds, the Underwriter) and the Trustee.

**Section 704. Default Under the Loan Agreement.** The Trustee shall, by 4:00 p.m. on the first Business Day after a Loan Payment Date, immediately notify the Authority and the Chief Financial Officer of the County of the Trustee's failure to receive a Loan Payment from the County and of any other event of default under the Loan Agreement known to the Trustee pursuant to the terms hereof.

Notwithstanding the above, the failure of the Trustee to receive any Loan Payment from the County on any Loan Payment Date shall not cause an Event of Default for the purposes of Article IX of this Bond Resolution or the acceleration of any of the Bonds then Outstanding.

In the event of a default in the Loan Payment due and owing to the Authority by the County under the Loan Agreement, the County shall be unconditionally obligated to pay such sum of money due and owing to the Trustee pursuant to the County Bonds so as not to cause an Event of Default under Section 901(1) or (2) hereof and an acceleration of the Bonds.

**Section 705. The Trustee's Obligations.** Subject to the provisions of Section 1003 hereof, the Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of the Loan Agreement including, without limitation, the prompt payment of all Loan Payments and Authority Administrative Expenses, and all other amounts due to the Trustee thereunder, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the County under the Loan Agreement and shall at all times, to the extent permitted by State law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Holders under or with respect to the same; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Authority) from settling a default under the Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the Authority and the Holders. The Authority hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the Authority under the Loan Agreement, subject to the provisions of this Section 705.

**Section 706. Termination of the Loan Agreement.** Upon the payment in full by the County of all amounts due under the Loan Agreement, the Trustee shall, at the written direction of the Authority, undertake such actions as shall be required to effectuate the

termination provisions of the Loan Agreement including, without limitation, the execution of all relevant documents in connection with such actions.

**Section 707. Files.** After the execution and delivery of the Loan Agreement, the Trustee shall retain all the documents received by it pursuant to this Article VII in connection therewith in a file pertaining to the Loan Agreement, to which file the Trustee shall from time to time add all records and other documents pertaining to Loan Payments and other amounts received by the Trustee under the Loan Agreement and all communications from or received by the Trustee with respect to the Loan Agreement and the County. Such file shall be kept at the principal corporate trust office of the Trustee and shall be available for inspection by the Authority and the County at reasonable times and under reasonable circumstances.

**Section 708. Insufficiency of or Failure to Make Loan Payments; Payment Under County Bonds.** The Loan Agreement shall provide that the County shall pay on each Loan Payment Date during the Bond Year, Loan Payments which, together with other moneys on deposit in the Debt Service Fund, will equal the Debt Service Requirement on the Outstanding Bonds on the next succeeding Interest Payment Date or Principal Installment Date, as applicable, during each Bond Year. The Loan Payments due under the Loan Agreement shall be on deposit in the Revenue Fund not later than the Loan Payment Date.

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## ARTICLE VIII

### PARTICULAR COVENANTS OF THE AUTHORITY

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

**Section 801. Payment of Bonds.** The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

**Section 802. Extension of Payment of Bonds.** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Bond Resolution, to the benefit of this Bond Resolution or to any payment out of Revenues or Funds established by this Bond Resolution, including the investment thereof, pledged under this Bond Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Bond Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds pursuant to Section 205 hereof and such issuance shall not be deemed to constitute an extension of maturity of the Bonds to be refunded.

**Section 803. Offices for Servicing Bonds.** The Authority shall at all times maintain one or more agencies in the State, and may maintain one or more such agencies in any other state or states, where Bonds may be presented for payment. The Authority hereby appoints the Trustee, as a Bond Registrar, and the Authority shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of this Bond Resolution, and the Trustee shall continuously maintain or make arrangements to provide such services.

**Section 804. Further Assurance.** At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and Funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge to the payment of the principal or Redemption Price of and interest on the Bonds, including any Series thereof.

**Section 805. Power to Issue Bonds and Pledge Pledged Property.** The Authority is duly authorized under all applicable State laws to create and issue the Bonds, to

adopt this Bond Resolution and to pledge the Pledged Property purported to be subjected to the lien of this Bond Resolution in the manner and to the extent provided in this Bond Resolution. Except to the extent otherwise provided in this Bond Resolution, the Pledged Property so pledged is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by this Bond Resolution, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of this Bond Resolution are and will be the valid and legally binding direct, special and limited obligations of the Authority. The Authority shall at all times, to the extent permitted by State law, defend, preserve and protect the pledge of the Pledged Property under this Bond Resolution and all the rights of the Bondholders under this Bond Resolution against all claims and demands of all Persons whomsoever.

**Section 806. Creation of Liens.** The Authority shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Authority or by Fiduciaries under this Bond Resolution, and shall not create or cause to be created any lien or charge on the Pledged Property; provided, however, that nothing contained in this Bond Resolution shall prevent the Authority from issuing, if and to the extent permitted by law, evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in this Bond Resolution shall be discharged and satisfied as provided in Article XIII hereof.

**Section 807. Accounts and Reports.** 1. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, the expenditure of moneys for the 2014 Project and each Fund or Account established under this Bond Resolution. All books and papers of the Authority shall, subject to the terms thereof, at all times, upon prior reasonable written notice to the Authority, during regular business hours, be subject to the inspection of the Trustee, the County and the Holders of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

2. The Trustee, or any Fiduciary, shall advise the Authority as soon as practicable after the end of each Month of the respective transactions during such Month relating to each Fund or Account held by it under this Bond Resolution.

3. The Authority shall cause its books and accounts, including annual balance sheets and statements of income and surplus, to be audited annually by an accountant within one hundred twenty (120) days after the close of its Fiscal Year, and file or cause to be filed with the Trustee, and otherwise as provided by law, a copy of the reports of such audits to the Trustee, including statements in reasonable detail, accompanied by an Accountant's Certificate, of financial condition, of all funds held by the Trustee and the security therefor and of the Revenues collected. Such Accountant's Certificate shall also state whether or not, to the best of the knowledge and belief of the signer, the Authority is in default with respect to any of the covenants, agreements or conditions on its part contained in this Bond Resolution, and if so, the nature of such default.

4. The Authority shall file or cause to be filed with the Trustee: (i) forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in this Bond Resolution, a certificate signed by an Authorized Authority Representative and specifying such Event of Default or default; and (ii) within ninety (90) days after the end of each Fiscal Year, a certificate signed by an appropriate Authorized Authority Representative stating whether, to the best of his knowledge and belief, the Authority has kept, observed, performed and fulfilled its covenants and obligations contained in this Bond Resolution and that there does not exist at the date of such certificate any default by the Authority under this Bond Resolution or any Event of Default or other event which, with the lapse of time specified in Section 901, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

5. The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Bond Resolution shall be available for the inspection of the Bondholders at the principal corporate trust office of the Trustee, who shall file a written request therefor with the Authority. The Authority may charge or cause to be charged to each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

**Section 808. Payment of Taxes and Charges.** The Authority will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Authority or upon the rights, revenues, income, receipts and other moneys, securities and funds of the Authority when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under this Bond Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Authority shall in good faith contest by proper legal proceedings if the Authority shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

**Section 809. The Loan Agreement.** The Authority shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Fund held by the Trustee all amounts, if any, payable to it by the County under the County Bonds and pursuant to the Loan Agreement. The Authority shall provide the Trustee with a certified copy of all requests for annual Authority Administrative Expenses under the Loan Agreement. The Authority shall enforce or cause to be enforced all of the provisions of the County Bonds and the Loan Agreement. The Authority will not consent or agree to or permit any amendment, change or modification to the County Bonds or the Loan Agreement except in accordance with the provisions of Section 815 hereof. Copies of the County Bonds and the Loan Agreement certified by an Authorized Authority Representative shall be filed with the Trustee, and copies of any such amendments thereto certified by an Authorized Authority Representative shall be filed with the Trustee.

**Section 810. Power to Determine and Collect Loan Payments.** The Authority has, and will have as long as Bonds are Outstanding hereunder, good right and lawful power to establish and collect or cause to be established and collected the Loan Payments from the County.

**Section 811. Loan Payments.** Prior to the execution of the Loan Agreement, and in each and every Fiscal Year during which Bonds are Outstanding, the Authority shall at all times establish and collect or cause to be established and collected Loan Payments from the County under the County Bonds as shall be required to provide Revenues at least sufficient, together with other available funds, for the payment of the sum of:

(i) an amount equal to the Debt Service on Outstanding Bonds for such Fiscal Year; and

(ii) all other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

**Section 812. Acquisition of the 2014 Project and its Operation and Maintenance.** 1. The Authority shall cause the County and/or the Technical School to acquire, construct and/or install the 2014 Project with due diligence and in a sound and economical manner.

2. The Authority shall at all times cause the County and/or the Technical School to use the 2014 Project properly and in an efficient and economical manner, consistent with good business practices, and shall 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 thereto.

**Section 813. Maintenance of Insurance.** 1. The Authority shall at all times cause the County and/or the Technical School (for the benefit of the Authority) to maintain such insurance as shall be required by the provisions of the Loan Agreement.

2. The Authority shall also maintain any additional or other insurance (at the sole cost and expense of the County and Technical School) which it shall deem necessary or advisable to protect its interests and those of the Bondholders.

3. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing.

4. The Authority shall file or shall cause the County to file with the Trustee annually, within one hundred twenty (120) days after the close of each calendar year, certificates of Authorized County Representatives setting forth a description in reasonable detail of the insurance then in effect with respect to the 2014 Project and certifying that the County and/or the Technical School have complied in all respects with their respective requirements pursuant to this Section 813.

**Section 814. Application of Insurance Proceeds.** The Proceeds of any insurance, including the Proceeds of any condemnation award paid on account of any damage or destruction to the 2014 Project or any portion thereof (other than any business interruption loss insurance) shall be applied as set forth in Sections 7.05, 7.06 and 7.07 of the Loan Agreement and Sections 503(5), 506(2), and 507(2) hereof.



**Section 815. Enforcement of Loan Agreement; Amendments.** The Authority shall enforce the provisions of the Loan Agreement and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Bondholders. The Loan Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of any Outstanding Bonds without the prior written consent of: (i) the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of each Series so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 815; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made under the Loan Agreement or extend the time of payment thereof. The Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity therein, to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Loan Agreement or to provide other changes which will not adversely affect the interest of such Holders. Subsequent to the execution by the Authority and the County of any amendment to the Loan Agreement, a copy thereof certified by an Authorized Authority Representative shall be filed with the Trustee.

**Section 816. Additional Covenants With Respect to the 2014 Project.** So long as any Bonds or any Series thereof shall be Outstanding, the Authority will, at all times:

(1) comply with the obligations on the part of the Authority contained in the Loan Agreement (or any amendment thereto) and require the County to comply with its obligation to make Loan Payments thereunder and to pay all other amounts payable under the Loan Agreement (or any amendment thereto) as the same shall become due and payable; and

(2) promptly take all actions or proceedings necessary or required to compel compliance by such other parties to the Loan Agreement (or any amendment thereto) with respect to the obligations contained therein.

**Section 817. Enforcement of County Bonds.** The Authority shall undertake all actions necessary so as to entitle it to collect payments from the County, if necessary, in accordance with the terms of the Act and the terms of the County Bonds. The Authority shall not release or modify the obligations of the County under the terms of the County Bonds in any manner which would adversely affect the County's obligation to make payments thereunder. The Authority shall take all reasonable measures which are permitted by the Act or otherwise by law, to enforce prompt payment to the Trustee of all amounts due under the County Bonds, and shall at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and

protect the rights, benefits and privileges of the Authority and of the Bondholders under or with respect to the County Bonds.

**Section 818. General.** 1. Upon the date of authentication and delivery of any Series of Bonds, all conditions, acts and things required by law and this Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds, shall exist, have happened and have been performed and the issue of such Series of Bonds, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

2. The Authority shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act, this Bond Resolution and the Loan Agreement, including the exercise of its remedies thereunder.

**Section 819. Federal Tax Covenants.** The Authority hereby covenants not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Tax-Exempt Obligations. The Authority further covenants that it will make no investments or other use of the proceeds of any Tax-Exempt Obligations which would cause such Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The Authority further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Authority further covenants not to cause the Series 2014 Bonds and any additional Series of Tax-Exempt Obligations to become "private activity bonds" (within the meaning of Section 141 of the Code).

**Section 820. Secondary Market Disclosure.** The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Bonds and the Authority will not provide any such information. Further, the Authority shall have no liability to the Holders of the Bonds or any other Person with respect thereto. The Authority has required the County in the Loan Agreement, as an Obligated Person (as defined under the hereinafter defined Rule), to covenant and agree that it will undertake all responsibilities for compliance with secondary market disclosure requirements pursuant to Rule 15c2-12(b) ("Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as described in the Continuing Disclosure Agreement ("Continuing Disclosure Agreement") to be executed by and between the County and the Trustee, acting as dissemination agent. Notwithstanding any other provision of this Bond Resolution, the failure of the County to comply with the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder and the Beneficial Owners (as defined in the Continuing Disclosure Agreement) of the Bonds may take such actions as set forth in the Continuing Disclosure Agreement as may be necessary and appropriate to cause the County to comply with its obligations set forth in the Continuing Disclosure Agreement.

**Section 821. Financing Statements.** The Authority hereby authorizes the Trustee to prepare and file such financing statements relating to this Bond Resolution (including, but not limited to, the financing statements with respect to the Series 2014 Bonds) and other documents, and to take such other actions as may be required by law in order to create, perfect and continue the security interest provided for under the State Uniform Commercial Code or other applicable laws of the State or under other state or federal law. The Trustee shall perform or shall cause to be performed any acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall be reasonably requested for the protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Authority of recording, registering, filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien and security interest of this Bond Resolution upon the Pledged Property or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid. The Trustee shall file at such time or times and in such place or places as the Trustee may be advised by an opinion of counsel will preserve the lien and security interest of this Bond Resolution upon the Pledged Property or any part thereof until the aforesaid principal and interest shall have been paid.

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## ARTICLE IX

### REMEDIES OF BONDHOLDERS

**Section 901. Events of Default.** The following events shall constitute an Event of Default under this Bond Resolution:

1. if default shall be made by the Authority in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, as applicable; or

2. if default shall be made by the Authority in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor, when and as such interest installment or Sinking Fund Installment shall become due and payable; or

3. if default shall be made in the due and punctual payment of the redemption premium of any Bond when and as the same shall become due and payable; or

4. if default shall be made by the County for payment of the County Bonds and the due and punctual payment of principal of and interest on the Bonds when such payment shall become due and payable, not less than ten (10) Business Days before any Interest Payment Date and Principal Installment Date, as applicable, and such default is not cured by the County by such Interest Payment Date and Principal Installment Date, as applicable; or

5. the entering of an order or decree appointing a receiver with the consent or acquiescence of the County or the entering of such order or decree without the acquiescence or consent of the County if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or

6. a petition is filed by the County under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Bond Resolution or thereafter enacted, unless in the case of a petition filed against the County, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property shall be appointed by court order or take possession of the County's property or assets, if such order remains in effect or such possession continues for more than thirty (30) days; or

7. if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Bond Resolution or in the Bonds contained, and such default shall continue for a period of sixty (60) days and the Authority shall have failed to commence to cure such default within such sixty (60) day period after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding; or

8. if the Authority shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of its properties and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

9. if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Authority in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Authority, of its properties and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Authority and its affairs or a decree or order finding or determining that the Authority is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days;

then, in each and every 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: (i) upon the occurrence of an Event of Default identified in clauses (1), (2) and (3) of this Section 901 and if the County Bonds are in full force and effect and no Event of Default under clause (4) of this Section 901 has occurred or upon the occurrence of any Event of Default contained in this Section 901 and the County Bonds are no longer in full force and effect, either the Trustee may (by notice, in writing, to the Authority), or, upon receipt of direction, in writing, from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding (by notice, in writing, to the Authority and the Trustee), the Trustee shall, declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, anything in this Bond Resolution or in any of the Bonds to the contrary notwithstanding; or (ii) upon the occurrence of an Event of Default identified in clauses (5), (6), (7), (8) or (9) of this Section 901 and the County Bonds are in full force and effect and the County is not in default thereunder, the Trustee shall, if so directed in writing by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, declare the principal of all 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, anything in this Bond Resolution or in any of the Bonds contained to the contrary notwithstanding.

The right of the Trustee or of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding to make any such declaration as aforesaid, however, is 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 the reasonable and proper fees, charges, expenses and liabilities of the Trustee and all other sums then payable by the Authority and the County under this Bond Resolution (except the principal of, and interest accrued since the next preceding Interest Payment Date on the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment,

and all defaults under the Bonds or under this Bond 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 Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, by written notice to the Authority and 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 to the contrary by the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, then any such declaration shall *ipso facto* be deemed to be rescinded and any such default shall *ipso facto* be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

**Section 902. Accounting and Examination of Records After Default.** 1.

The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of their agents and attorneys.

2. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the Authority, upon demand of the Trustee will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Bond Resolution for such period as shall be stated in such demand.

**Section 903. Application of Pledged Property After Default.** 1.

The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee or its agent in trust: (i) forthwith, all Pledged Property then held by the Authority under this Bond Resolution; and (ii) all Revenues, if any, which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

2. During the continuance of an Event of Default, the Trustee shall apply the Pledged Property, including all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article IX together with all funds held by the Trustee in any Funds or Accounts under this Bond Resolution as follows and in the following order:

(i) Expenses of Fiduciaries -- to the payment of the reasonable and proper fees (including reasonable attorneys' fees), charges, expenses and liabilities of the Fiduciaries;

(ii) Principal and Interest -- to the payment of the interest and principal then due on the Bonds, as follows:

(a) unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: Interest -- To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such

installments, 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; and

Second: Principal -- To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds of any Series due on any date, then to the payment thereof ratably, according to the amounts of principal due on such date, to the Persons entitled thereto, without any discrimination or preference;

(b) If the principal of all of 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 except as to any difference in the respective rates of interest specified in the Bonds.

3. Whenever all overdue installments of all Bonds, together with the reasonable and proper charges, fees (including reasonable attorneys' fees), expenses and liabilities of the Trustee, and all other sums payable by the Authority under this Bond Resolution, including the principal of and accrued unpaid interest on all Bonds which shall then be payable, by declaration or otherwise shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under this Bond 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 Authority all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Bond Resolution to be deposited or pledged, with the Trustee) and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under this Bond Resolution. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Bond Resolution or impair any right consequent thereon.

**Section 904. 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 Holders of not less than fifty-

one percent (51%) in principal amount of the Bonds Outstanding so in default shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds so in default under this Bond 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 Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Bond Resolution.

2. All rights of action under this Bond Resolution may be enforced by the Trustee without the possession of any of the Bonds so in default or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Holders of fifty-one percent (51%) in principal amount of the Bonds so in default at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Bond Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Bond 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 to, but unless requested in writing by the Holders of fifty-one percent (51%) in principal amount of the Bonds so in default then Outstanding and furnished with adequate security and indemnity satisfactory to the Trustee, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Bond Resolution by any acts which may be unlawful or in violation of this Bond Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

**Section 905. Restrictions on Bondholder's Action.** 1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Bond Resolution or the execution of any trust under this Bond Resolution or for any remedy under this Bond Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article IX, and the Holders of at least fifty-one percent (51%) in principal amount of the Bonds so in default 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 this Bond Resolution or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to the Trustee against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of thirty (30) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more



Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Bond Resolution, or to enforce any right under this Bond Resolution, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Bond Resolution shall be instituted, had and maintained in the manner provided in this Bond Resolution and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 902 hereof.

2. Nothing contained in this Bond Resolution or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed, the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

**Section 906. Remedies Not Exclusive.** No remedy by the terms of this Bond Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bond Resolution or existing at law or in equity or by statute on or after the date of execution and delivery of this Bond Resolution.

**Section 907. Effect of Waiver and Other Circumstances.** 1. No delay or omission of the Trustee or any Bondholder 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 Event of Default or be an acquiescence therein; and every power and remedy given by this Article IX to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

2. Prior to the declaration of maturity of the Bonds as provided in Section 901 hereof, the Holders of fifty-one percent (51%) in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds so in default waive any past default under this Bond Resolution and its consequences, except a default in the payment of interest on or principal of or redemption premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

**Section 908. Notice of Default.** The Trustee shall promptly mail written notice of the occurrence of any Event of Default of which the Trustee has actual knowledge to each Registered Owner of Bonds so in default then Outstanding at his address, if any, appearing upon the registry books of the Authority. The Trustee shall also give prompt notice of the occurrence of an Event of Default of which the Trustee has actual knowledge to the Authority and the Paying Agent. For purposes of this Section 908, the Trustee will be deemed to have actual knowledge only if an officer of the corporate trust department of the Trustee has actual first-hand knowledge thereof. The Trustee shall be deemed to have actual knowledge of any payment default if the Trustee shall not have received payment on the date on which such payment was due.

**Section 909. Notice to Trustee to Exercise Remedies Under the Loan Agreement.** The Authority covenants that if an Event of Default under the Loan Agreement

shall occur and be continuing, it will not exercise any of such remedies set forth in such Loan Agreement without written consent of the Trustee thereto, which consent shall not be unreasonably withheld.

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## ARTICLE X

### CONCERNING THE FIDUCIARIES

**Section 1001. Trustee; Appointment and Acceptance of Duties.** U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Trustee under this Bond Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the Authority a written acceptance thereof, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in this Bond Resolution.

**Section 1002. Paying Agents; Appointment and Acceptance of Duties; Bond Registrar.** 1. The Authority shall appoint one or more Paying Agents for the Bonds, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 1013 hereof for a successor Paying Agent. The Trustee is hereby appointed a Paying Agent.

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

3. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof. No Paying Agent shall be liable for the acts or omissions of any other Paying Agent.

4. The Authority shall appoint a Bond Registrar, which shall be the Trustee. The Bond Registrar shall have the duties and the responsibilities provided in this Bond Resolution. The Bond Registrar shall accept the responsibilities of a Bond Registrar hereunder with respect to all Bonds by executing a certificate to be delivered to the Trustee and the Authority.

**Section 1003. Responsibilities of Fiduciaries.** 1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Bond Resolution or of any Bonds issued hereunder or as to the security afforded by this Bond Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee and/or Bond Registrar shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of this Bond Resolution to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection (2) of this Section 1003, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Bond Resolution and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Bond 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 1003 and Section 1004 hereof.

**Section 1004. Evidence on Which Fiduciaries May Act.** 1. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Bond Resolution and shall be protected in acting upon any such instrument believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Bond Resolution in good faith and in accordance therewith.

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 this Bond Resolution, such matter (unless other evidence in respect hereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Authority Representative, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Bond Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

3. Except as otherwise expressly provided in this Bond Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority when signed by an Authorized Authority Representative, or in the name of the County by an Authorized County Representative.

**Section 1005. Compensation.** The Authority shall pay or cause to be paid to each Fiduciary from time to time reasonable compensation for all services rendered under this Bond Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements including, without limitation, those of its attorneys, agents and employees incurred in and about the performance of their powers and duties under this Bond Resolution, in accordance with the agreements made from time to time between the Authority and the Fiduciary and, subject to the rights of Bondholders hereunder, the Trustee and each Paying Agent shall have a lien therefor on any and all Funds at any time held by it under this Bond Resolution. Subject to the provisions of Section 1003 hereof and to the extent permitted by law, the Authority further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities, expenses and fees which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to such Fiduciary's negligence or willful misconduct.

The provisions of this Section 1005 shall survive the payment of the Bonds pursuant to Section 1301 hereof.

**Section 1006. Certain Permitted Acts.** Any Fiduciary, individually or otherwise, may become the Owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Bond Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding. To the extent permitted by law, any Fiduciary may provide banking, financial and similar services to the Authority.

**Section 1007. Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties created by this Bond Resolution by giving not less than sixty (60) days prior written notice thereof to the Authority and the County and mailing notice thereof to the Holders of 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 Authority or the Bondholders as provided in Section 1009 hereof, 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 Authority or the Bondholders as provided in Section 1009 hereof on such date, in which event such resignation shall not take effect until a successor is appointed.

**Section 1008. Removal of the Trustee.** The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments, in writing, filed with the Trustee, and signed by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority upon not less than sixty (60) days prior written notice to the Trustee, the Authority and the County, and in the case of any removal by the Authority as set forth below, to the Holders of the Bonds, and which notice shall specify the date when such removal takes effect. So long as no Event of Default or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time for reasonable cause (including but not limited to an increase in fees or a failure to competently perform its duties hereunder) by a resolution of the Authority filed with the Trustee upon notice as aforesaid.

**Section 1009. 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 bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Authority by a duly executed written instrument signed by an Authorized Authority Representative, but if the Authority does not appoint a successor Trustee within sixty (60) days after written notice thereof to the Authority, then by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments, in writing, signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification

thereof being given to the Authority and the predecessor Trustee. After such appointment of a successor Trustee, the Authority shall mail notice of any such appointment by it or by the Bondholders to the Registered Owners of the Bonds then Outstanding and to Moody's, S&P and Fitch, if the Bonds are then rated by such rating agency or agencies.

2. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 1009 within forty-five (45) days after the Trustee shall have given to the Authority and the County written notice as provided in Section 1007 hereof or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section 1009 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$100,000,000 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 this Bond Resolution.

**Section 1010. Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under this Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority and the County, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority or of the successor Trustee, execute, acknowledge and deliver such 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 the right, title and interest of the predecessor Trustee in and to any properties, rights, interests and estates held by it under this Bond Resolution and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agent(s) and Bond Registrar of its appointment as Trustee.

**Section 1011. Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Bond Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**Section 1012. Adoption of Authentication.** In case any of the Bonds contemplated to be issued under this Bond Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Bond Resolution provided that the certificate of the Trustee shall have.

**Section 1013. Resignation or Removal of Paying Agent or Bond Registrar and Appointment of Successor.** 1. Any Paying Agent or Bond Registrar may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving at least sixty (60) days prior written notice thereof to the Authority, the County, the Trustee and the Paying Agent or Bond Registrar, as applicable. Any Paying Agent or Bond Registrar may be removed by the Authority at any time by an instrument filed with such Paying Agent or Bond Registrar and the Trustee and signed by an Authorized Authority Representative. Any successor Paying Agent or Bond Registrar shall be appointed by the Authority with the approval of the Trustee and shall be a commercial bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Bond Resolution.

2. In the event of the resignation or removal of any Paying Agent or Bond Registrar, such Paying Agent or Bond Registrar shall pay over, assign and deliver any moneys held by it as Paying Agent or Bond Registrar to its successor, or if there be no successor, to the Trustee, with such documentation satisfactory to the successor Paying Agent and the Trustee, certifying that the amounts being paid over, assigned and delivered represent the remaining balance of all funds so held. In the event for any reason there shall be a vacancy in the office of any Paying Agent or Bond Registrar, the Trustee shall act as such Paying Agent or Bond Registrar.

**Section 1014. Conflict Between Provisions of Bond Resolution and County Bonds.** In the event the Trustee, in the performance of its fiduciary responsibilities, determines there are conflicts, ambiguities or inconsistencies between the provisions of the County Bonds and this Bond Resolution, the Trustee may rely upon a written opinion from Bond Counsel addressed to the Authority, the County and the Trustee directing the Trustee to adhere to the provisions of either the County Bonds or this Bond Resolution. The Trustee shall be fully protected in the performance of its fiduciary responsibilities to the extent it acts in accordance with such opinion.

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## ARTICLE XI

### SUPPLEMENTAL RESOLUTIONS

**Section 1101. Supplemental Resolutions Effective Upon Filing With the Trustee.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Authority may be adopted which, upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative, shall be fully effective in accordance with its terms:

(1) To close this Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Bond Resolution in connection with the authentication and delivery of Bonds or the issuance of other evidences of indebtedness; or

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

(3) To add to the limitations and restrictions in this Bond Resolution, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect; or

(4) To authorize Bonds of a Series and, in connection therewith, specify and determine, or delegate to an Authorized Authority Representative the power to specify and determine, the matters and things referred to in Sections 202 and 205 hereof and also any other matters and things relative to such Bonds (including any Series thereof) which are not contrary to or inconsistent with this Bond 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 (including any Series thereof); or

(5) Notwithstanding any other provisions of this Bond Resolution, to authorize a Series of Bonds having terms and provisions different than the terms and provisions theretofore provided in this Bond 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 the bond for such Series of Bonds; provided that the authorization and issuance of such Series of Bonds shall not in any manner impair or adversely affect the rights or security of the Bondholders under this Bond Resolution; or

(6) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of fully registered Bonds issued and held in certificated or book-entry form on the books of the Authority, any Fiduciary or custodian appointed for that purpose by the Authority and, in connection therewith, make such additional changes herein, not adverse to the rights of the Holders of the Bonds, as are necessary or appropriate to accomplish or recognize such certificated or book-entry form Bonds, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, this Bond Resolution relating to the giving of



notice, and specify and determine the matters and things relative to the issuance of such certificated or book-entry form Bonds as are appropriate or necessary; or

(7) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Bond Resolution, of the Revenues or of any other moneys, securities or Funds; or

(8) 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, this Bond Resolution of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; or

(9) To modify any of the provisions of this Bond 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; or (ii) if such modification shall become effective prior to the authentication and delivery of the first Bond authorized to be issued pursuant to this Bond Resolution, each Supplemental Resolution shall be specifically referred to in the text of all Bonds 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 1102. 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 Authority Representative, and (ii) the filing with the Trustee and the Authority of instruments 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 this Bond Resolution; or

(2) To insert such provisions clarifying matters or questions arising under this Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with this Bond Resolution as theretofore in effect.

**Section 1103. Supplemental Resolutions Effective With Consent of the Bondholders.** At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders and in accordance with and subject to the provisions of Article XII hereof, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative and upon compliance with the provisions of said Article XII, shall become fully effective in accordance with its terms as provided in said Article XII upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative and upon compliance with the provisions of such Article XII.

**Section 1104. General Provisions.** 1. This Bond 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 XI and Article XII hereof. Nothing contained in this Article XI or Article XII shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 804 hereof or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in this Bond Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1101 and 1102 hereof may be adopted by the Authority without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. A 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 this Bond Resolution, is authorized or permitted by this Bond Resolution and is valid and binding upon the Authority and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally.

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 Sections 1101, 1102 or 1103 hereof 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 this Bond Resolution.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

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## ARTICLE XII

### AMENDMENTS

**Section 1201. Mailing and Publication.** 1. Any provision in this Article for the mailing of a notice or other matter to Bondholders by the Authority shall be fully complied with if it is mailed postage prepaid only: (i) to each Registered Owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority kept at the office of the Bond Registrar; and (ii) to the Trustee. If the Bonds are rated by Moody's, S&P and Fitch, then the Authority shall give notice to the rating agency or agencies that rated the Bonds of any material amendments to this Bond Resolution.

2. Any provision in this Article for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper by the Authority.

**Section 1202. Powers of Amendment.** Any modification or amendment of this Bond Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds hereunder in any particular, may be made by a Supplemental Resolution with the written consent, given as provided in Section 1203 hereof, of: (i) the Holders of at least fifty-one percent (51%) in principal amount of the Bonds Outstanding at the time such consent is given; and (ii) in case the modification or amendment changes the terms of any Sinking Fund Installment, the Holders of one hundred percent (100%) in principal amount of the Bonds of the particular maturity entitled to such Sinking Fund Installment 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 maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 1202. No such modification or amendment shall permit a change in the maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. The Trustee may, in its discretion, determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular maturity would be affected by any modification or amendment of this Bond Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds.

**Section 1203. Consent of Bondholders.** The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1202 hereof to take effect when and as provided in this Section 1203. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to the Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 1203 provided). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Trustee: (i) the written consents of the Holders of the percentages of Outstanding Bonds specified in Section 1202 hereof; (ii) an opinion of Bond

Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (iii) a notice shall have been given as hereinafter in this Section 1203 provided. The consent of the Holders of the Bonds shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1303 hereof. A certificate or certificates executed by the Trustee and filed with the Authority stating that it has examined such proof and that such proof is sufficient in accordance with Section 1303 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be irrevocable and binding upon the Holder of the Bonds giving such consent and, anything in Section 1303 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked, in writing, by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1203 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer, of such revocation in the manner permitted by this Section 1203. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Authority to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1203, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1203 provided). The Authority shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 1203 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Authority during such forty (40) day period and any such further period during which any such action or proceeding may be binding shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

**Section 1204. Modifications by Unanimous Consent.** The terms and provisions of this Bond Resolution and the rights and obligations of the Authority and the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption

and filing by the Authority of a Supplemental Resolution and the consents of the Holders of all of the Bonds then Outstanding, such consents to be given as provided in Section 1203, except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary and of the Bondholders.

**Section 1205. Exclusion of Bonds.** Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XII, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article XII. At the time of any consent or other action taken under this Article XII, the Authority shall furnish the Trustee a certificate of an Authorized Authority Representative, upon which the Trustee may rely, describing all Bonds so to be excluded.

**Section 1206. Notation on Bonds.** Bonds authenticated and delivered after the effective date of any action taken as in Article XI or this Article XII provided may, and, if the Trustee so determines upon advice of counsel, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same maturity then Outstanding, upon surrender of such Bonds.

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## ARTICLE XIII

### MISCELLANEOUS

**Section 1301. Defeasance.** 1. If, subject to the provisions set forth in the next succeeding sentence, the Authority shall pay or cause to be paid, or there shall otherwise be paid, to or for the account of the Holders of all Bonds the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Bond Resolution, then the pledge of the Pledged Property, any Revenues and other moneys and securities pledged under this Bond Resolution and all covenants, agreements and other obligations of the County to the Bondholders under the provisions of the County Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied. Upon the request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Authority all moneys or securities held by them pursuant to this Bond Resolution which are not required for the payment of principal of, redemption premium, if any, and interest on Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Outstanding Bonds of a particular maturity or particular Bonds within a maturity, the principal of, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under this Bond Resolution and the County Bonds and all covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Principal and/or interest installments for the payment or redemption of which moneys or Investment Securities shall have been set aside and shall be held in trust by the Trustee or Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1301. Subject to the provisions of subsection (3) through subsection (5) of this Section 1301, all 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 1301 if: (i) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on or prior to the redemption or maturity date thereof, as the case may be; and (ii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail as provided in Article IV hereof a notice to the Holders of such Bonds that the deposit required by subclause (i) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1301 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (6) of this Section 1301, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds, and (c) in case any of said Bonds are to be redeemed on any date prior to their maturity, the

Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail as provided in Article IV hereof notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date. 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. For purposes of this Section 1301 only, the term Investment Securities shall mean only those Investment Securities described in clause (a)(1) of the definition of "Investment Securities" contained in Section 101 hereof unless the Authority shall have received written confirmation from Moody's, if the Bonds are then rated by Moody's, S&P, if the Bonds are then rated by S&P, and Fitch, if the Bonds are then rated by Fitch, that defeasance with Investment Securities other than those described in such clause (a)(1) of the definition of "Investment Securities" will result in the Bonds being rated in the highest investment grade or category of each such rating agency. The Trustee shall, if so directed by the Authority prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or prior to the maturity date of any Bonds deemed to have been paid in accordance with this Section 1301 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 Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient (as verified by an independent certified public accountant, as stated in a verification report addressed to the Authority, the County and the Trustee) to pay when due the Principal Installment, redemption premium, if any, and interest due or to become due on all Bonds, in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or Bonds which are to be redeemed prior to their maturity date, the Authority shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301. The directions given by the Authority to the Trustee referred to in the preceding sentences 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 1301 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 redeem Bonds deemed paid in accordance with this Section 1301 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 1301 such amount is in excess (as verified by an independent certified public accountant addressed to the Authority, the County and the Trustee) 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 subclause (a) of this subsection (2) of Section 1301, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution. Except as otherwise

provided in this subsection (2) of Section 1301 and in subsection (3) through subsection (5) of this Section 1301, neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section 1301 nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, redemption premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required (as verified by an independent certified public accountant as stated in a verification report addressed to the Authority, the County and the Trustee) at any time for such purpose shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Bond Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Authority, the County and the Trustee) to pay when due the principal of, redemption premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution. For the purposes of this Section 1301, Investment Securities shall mean and include only (x) such securities as are described in this subsection 1301(2) which shall not be subject to redemption prior to their maturity other than at the option of the Holder thereof, (y) such securities as are described in this subsection 1301(2) which shall not be 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 securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Holder thereof, or (z) upon compliance with the provisions of subsection (3) of this Section 1301, such securities as are described in this subsection 1301(2) which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. Investment Securities described in clause (z) of subsection (2) of this Section 1301 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of subclause (a) of subsection (2) of this Section 1301 only if the determination as to whether the moneys and Investment Securities to be deposited with the Trustee in order to satisfy the requirements of such subclause (a) would be sufficient to pay when due either on the maturity date or the redemption date thereof, the principal of, redemption premium, if any, and interest on the Bonds (including any Series thereof) which will be deemed to have been paid as provided in subsection (2) of this Section 1301 is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof; and (ii) on the assumption that such Investment Securities would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

4. In the event after compliance with the provisions of subsection (3) of this Section 1301 the Investment Securities described in clause (z) of subsection (2) of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the



requirements of subclause (a) of subsection (2) of this Section 1301 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority, provided that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into consideration any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Authority in accordance with subsection (3) of this Section 1301, shall at all times be sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Authority, the County and the Trustee) to satisfy the requirements of subclause (b) of subsection (2) of this Section 1301, shall reinvest the proceeds of such redemption in Investment Securities. The Trustee shall mail notice of the substitution of Investment Securities to the Holders of the Bonds.

5. In the event that after compliance with the provisions of subsection (4) of this Section 1301 the Investment Securities described in clause (z) of subsection (2) of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of subclause (a) of subsection (2) of this Section 1301, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1301 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 any Investment Securities described in clause (z) of subsection (2) of this Section 1301 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 or 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 Investment Securities on deposit with the Trustee including any Investment Securities or redemption proceeds in accordance with subsection (5) of this Section 1301 pursuant to subclause (a) of subsection (2) of this Section 1301 would be sufficient to pay when due the principal or Redemption Price of, and interest on all Bonds deemed to have been paid in accordance with subsection (2) of this Section 1301 which have not as yet been paid.

6. If the Bonds are rated by Moody's, Standard & Poor's and/or Fitch, then the Authority shall give notice to the rating agency or agencies that rated the Bonds of any defeasance of all or any of the Bonds.

**Section 1302. Unclaimed Funds.** 1. Anything in this Bond Resolution to the contrary notwithstanding, but subject to any provision of State or Federal law to the contrary, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for four (4) years after the date when such Bonds have become due and payable, at their stated maturity dates, if such moneys were held by the Fiduciary at such date, or for four (4) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds; provided, however,

that before being required to make any such payment to the Authority the Fiduciary shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Authority, except as set forth in subsection (2) below.

2. Subject to the provisions of Section 1302(1) hereof, to the extent any moneys are remaining in such Funds and Accounts and the Fiduciaries and/or the Authority have unreimbursed expenses, such moneys shall be paid to each such Fiduciary and/or the Authority by the Trustee, free and clear of the lien and pledge of this Bond Resolution, to the extent required to reimburse such Fiduciary and/or the Authority for such expenses and, if thereafter there are any unclaimed moneys remaining in the Funds and Accounts, then to the County.

**Section 1303. Evidence of Signatures of Bondholders and Ownership of Bonds.** 1. Any request, consent, revocation of consent or other instrument which this Bond Resolution may require or permit to be signed and executed by the Bondholders may be signed or executed in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Bonds shall be sufficient for any purpose of this Bond Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(2) The amount of Bonds transferable by delivery held by any Person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such Person exhibited to such member or officer or had on deposit with such depository

the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

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

3. 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 Authority or any Fiduciary in accordance therewith.

**Section 1304. Moneys Held for Particular Bonds.** The amounts held by any Fiduciary for the payment of the interest or principal due on any date with respect to particular Series of Bonds or for particular Bonds within such Series of Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

**Section 1305. Preservation and Inspection of Documents.** All documents received by any Fiduciary under the provisions of this Bond Resolution shall be retained in its possession for a period of seven (7) years and shall be subject at all reasonable times to the inspection of the Authority, the County, the Technical School, any other Fiduciary and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

**Section 1306. Parties Interest Herein.** Nothing in this Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any Person or corporation, other than the Authority, the County, the Technical School, the Fiduciaries and the Holders of the Bonds, any right, remedy or claim under or by reason of this Bond Resolution or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Bond Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the County, the Technical School, the Fiduciaries and the Holders of the Bonds.

**Section 1307. No Recourse on the Bonds.** No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond Resolution against any member or officer of the Authority or any Person executing the Bonds.

**Section 1308. Publication of Notice; Suspension of Publication.** 1. Any publication to be made under the provisions of this Bond Resolution in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

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

**Section 1309. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in this Bond Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Bond Resolution.

**Section 1310. Holidays.** Except with respect to the computation of a Record Date, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Bond Resolution, shall be a legal holiday or a day on which banking institutions in the municipality in which is located the principal office of the Trustee or the operational offices of the Authority or the County are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Bond Resolution, and no interest shall accrue for the period after such nominal date.

**Section 1311. Separate Financings.** Nothing contained in this Bond Resolution shall be construed to prevent the Authority from acquiring, constructing or financing through the issuance of its bonds, notes, or other evidences of indebtedness any other public facilities or from securing such bonds, notes or other evidences of indebtedness by a mortgage of such public facilities so financed or by a pledge of, or other security interest in, the revenues thereunder or any lease or other agreement with respect thereto or any revenues derived from such lease or other agreement; provided that such bonds, notes, or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund held under this Bond Resolution and neither the cost of such public facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund hereunder.

**Section 1312. Notices and Demands.** All notices, demands or other communications provided for in this Bond Resolution shall be in writing and shall be sent by facsimile transmission (confirmed, in writing, and hard copy to follow in the manner prescribed below) or shall be delivered personally, sent by certified or registered mail or by recognized overnight mail, to (i) the County at Cumberland County Board of Chosen Freeholders, 790 E. Commerce Street, Bridgeton, New Jersey 08302, Attn: Clerk of the Board of Chosen Freeholders and Chief Financial Officer of the County, Fax No. (856) 451-8243; (ii) the Authority at The Cumberland County Improvement Authority, 2 North High Street, Millville, New Jersey 08332, Attn: Executive Director, Fax No. (856) 776-5391; (iii) the Trustee at U.S. Bank National Association, 21 South Street, 3rd Floor, Morristown, New Jersey 07960, Attn: Corporate Trust Services, Fax No. (973) 682-4540; and (iv) Bond Counsel to the Authority, Parker McCay P.A., 9000 Midlantic Drive, Suite 300, Mount Laurel, New Jersey 08054, Attn: Philip A. Norcross, Esq., Fax No. (856) 988-8167; or to such other representatives or addresses

as the Authority, the County, the Trustee or Bond Counsel may from time to time designate by written notice to the parties hereto or beneficiaries hereof in accordance with this Section 1312.

**Section 1313. Headings.** The Article and Section headings in this Bond Resolution are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Bond Resolution.

**Section 1314. Governing Law.** This Bond Resolution shall be governed by and construed in accordance with the laws of the State.

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**ARTICLE XIV**

**BOND FORM AND EFFECTIVE DATE**

**Section 1401. Form of Bonds.** Subject to the provisions of this Bond Resolution, the form of the Bonds shall be substantially as follows:

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**UNITED STATES OF AMERICA  
STATE OF NEW JERSEY  
THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**

**GENERAL OBLIGATION REVENUE BONDS  
(TECHNICAL HIGH SCHOOL PROJECT), SERIES 2014**

**No. R-**

**INTEREST RATE**

%

**CUSIP NUMBER**

**MATURITY DATE**

\_\_\_\_\_, 20\_\_

**DATED DATE**

\_\_\_\_\_, 2014

**AUTHENTICATION DATE**

\_\_\_\_\_, 2014

**REGISTERED OWNER:** Cede & Co.

**PRINCIPAL SUM:**

(DOLLARS)

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY, in the County of Cumberland, State of New Jersey ("Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey ("State"), acknowledges itself indebted and for value received hereby promises to pay to the REGISTERED OWNER stated above, or registered assigns, the PRINCIPAL SUM stated above, on the MATURITY DATE stated above or on the date fixed for redemption, as the case may be, together with interest on such PRINCIPAL SUM from the date of this Series 2014 Bond (as hereinafter defined) until the Authority's obligation with respect to the payment of such PRINCIPAL SUM shall be discharged, at the INTEREST RATE per annum stated above semiannually on March 1 and September 1, commencing March 1, 2015 ("Interest Payment Date"). This Series 2014 Bond, as to principal, when due, will be payable at the principal corporate trust office of U.S. Bank National Association, Morristown, New Jersey. Interest on this Series 2014 Bond will be payable by check which will be mailed to the REGISTERED OWNER hereof whose name shall appear on the registration books of the Authority which shall be kept and maintained by the Bond Registrar hereinafter mentioned, as determined on the fifteenth day of the calendar month next preceding each Interest Payment Date (whether or not a Business Day) ("Record Date"); provided, however, that a REGISTERED OWNER of \$1,000,000 or more in principal amount of the Series 2014 Bonds shall be entitled, upon three (3) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds. Payment of the principal of and interest on this Series 2014 Bond shall be made 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.

This bond is one of the duly authorized issue of a Series of revenue bonds, each designated as "General Obligation Revenue Bonds (Technical High School Project), Series 2014" ("Series 2014 Bonds" or "Bonds") of the Authority, limited to the aggregate principal amount of \$70,000,000 and authorized and issued under and pursuant to the County Improvement Authorities Law, P.L. 1960, c.183, as amended ("Act"), and under and in accordance with a resolution of the Authority duly adopted September 3, 2014 entitled, "Resolution of The Cumberland County Improvement Authority Authorizing the Issuance of General Obligation Revenue Bonds (Technical High School Project)" ("Bond Resolution"), a resolution of the Authority duly adopted September 3, 2014 entitled, "Resolution of The Cumberland County Improvement Authority With Respect to the Delegation of the Power to Sell, Through Negotiated or, if Required by State Law, Competitive Sale, and to Award, in One or More Series and at One or More Times, Tax-Exempt General Obligation Revenue Bonds (Technical High School Project), Series 2014 of the Authority, Authorizing Certain Actions, Approving Certain Documents and Determining Other Matters in Connection With the Issuance and Sale of the Bonds" ("Delegation Resolution") and an Award Certificate (the Bond Resolution, the Delegation Resolution and the Award Certificate are hereinafter collectively referred to as the "Resolution"). Copies of the Resolution are on file in the office of the Authority in Millville, New Jersey and at the principal corporate trust office of U.S. Bank National Association, Morristown, New Jersey ("Trustee"), as trustee under the Bond Resolution.

This Series 2014 Bond is a direct, limited and special obligation of the Authority payable from the Revenues and secured by a lien on the Pledged Property (as defined in the Resolution) of the Authority and from any other moneys pledged therefor under the Resolution; provided, however, that the power and obligation of the Authority to cause application of such Pledged Property and other funds to the payment of the principal or Redemption Price of and the interest on the Series 2014 Bonds is subject to the terms of the Resolution.

The Series 2014 Bonds are issued in the form of Registered Bonds, without coupons, in book-entry only form in the denomination of \$5,000 each or any integral multiple thereof.

As defined in the Resolution, and for purposes of this Series 2014 Bond, "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 Trustee, the Bond Registrar, any Paying Agent, the County or the Authority is legally authorized to close. All other terms used herein which are not defined shall have the meanings ascribed to such terms in the Resolution.

The Series 2014 Bonds maturing on or after September 1, 20\_\_ shall be subject to redemption prior to their respective stated maturity dates at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the County in accordance with the terms of the Loan Agreement, upon notice as set forth below, on or after September 1, 20\_\_ as a whole or in part on any date and, if in part, in such order of maturity as the County may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee) at a Redemption Price equal to 100% of the principal amount of Series 2014 Bonds to be redeemed, plus accrued interest to the Redemption Date.



Sinking Fund Redemption. The Series 2014 Bonds maturing on September 1, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued to the redemption date, on the following dates in the respective principal amounts set forth opposite such dates:

<u>September 1 of the Year</u>	<u>Principal Amount</u>
	\$

\*

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\* Final maturity.

Unless otherwise provided in the Resolution, if less than all of the Series 2014 Bonds of like maturity shall be called for prior redemption, the particular Series 2014 Bonds or portions of such Series 2014 Bonds 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; provided, however, that the portion of any such Series 2014 Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Series 2014 Bonds for redemption, the Trustee shall treat each such Series 2014 Bond as representing that number of Series 2014 Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Series 2014 Bond to be redeemed in part.

When the Trustee shall receive notice from the Authority of its election or direction to redeem the Series 2014 Bonds pursuant to Section 402 of the Bond Resolution, including written notice from the County whose consent is required to effectuate the redemption of the Series 2014 Bonds, and when redemption of the Series 2014 Bonds is authorized or required pursuant to Section 403 of the Bond Resolution and the Trustee shall have received written notice from the County of its consent to the redemption of the Series 2014 Bonds, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2014 Bonds, which notice shall specify the maturities of the Series 2014 Bonds to be redeemed, the Redemption Price, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2014 Bonds of any like maturity and particular Series are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2014 Bonds so to be redeemed, and, in the case of the Series 2014 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 Series 2014 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of the Series 2014 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNERS of any Series 2014 Bonds or portions of the Series 2014 Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure to give

notice by mail, or any defect in notice to the REGISTERED OWNER of any Series 2014 Bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Series 2014 Bonds.

So long as DTC or its nominee is the REGISTERED OWNER of the Bonds, notices of redemption shall be sent to DTC and not to any Beneficial Owners of the Bonds.

The Trustee shall also comply with any notice or other requirements of DTC to effectuate a redemption of Bonds. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

If, on the redemption date, moneys for the redemption of all the Series 2014 Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent 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 Series 2014 Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such notice of redemption shall be rescinded by the Trustee and shall be deemed to be null and void as if never given and such Series 2014 Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

Pursuant to the Resolution, the Authority may hereafter issue Refunding Bonds for the purposes, in the amounts and on the conditions prescribed in the Resolution. All bonds issued and to be issued under the Resolution, including the Series 2014 Bonds and Refunding Bonds, are and will be equally secured by the pledge of Funds and Revenues provided in the Resolution except as otherwise provided in or pursuant to the Resolution.

To the extent and in the respects permitted by the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Authority in the manner and subject to the conditions and exceptions which are set forth in the Resolution. The pledge of the Pledged Property and other obligations of the Authority under the terms of the Resolution may be discharged at or prior to the maturity or redemption of the Series 2014 Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

This Series 2014 Bond is transferable, as provided in the Resolution, only upon the registration books of the Authority which are kept and maintained for that purpose at the principal corporate trust office of U.S. Bank National Association, Morristown, New Jersey ("Bond Registrar"), as registrar under the Resolution, or its successor as Bond Registrar, by the REGISTERED OWNER hereof in Person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the REGISTERED OWNER or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Authority shall issue in the name of the transferee a new registered Series 2014 Bond or Series 2014 Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Series 2014 Bond as provided in the Resolution, upon payment of the charges therein prescribed. The Authority, the Trustee, the Bond Registrar and any Paying Agent of the

Authority may treat and consider the Person in whose name this Series 2014 Bond is registered as the Holder and absolute Owner of this Series 2014 Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes whatsoever.

Reference to the Bond Resolution, the Delegation Resolution, the Award Certificate, the Loan Agreement, the County Bond, and the Act is made for a description of the nature and extent of the security for the Series 2014 Bonds, the Pledged Property, the Funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Series 2014 Bonds with respect thereto, the terms and conditions upon which the Series 2014 Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority, the County and the Trustee.

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE SERIES 2014 BONDS SHALL BE LIABLE PERSONALLY ON THE SERIES 2014 BONDS BY REASON OF THE ISSUANCE THEREOF.

THE SERIES 2014 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY RELATING SOLELY TO THE PLEDGED PROPERTY, AND AS APPLICABLE UNDER AND LIMITED BY THE LOAN AGREEMENT AND THE COUNTY BOND, THE COUNTY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION (OTHER THAN THE AUTHORITY RELATING SOLELY TO THE PLEDGED PROPERTY, AND AS APPLICABLE UNDER AND LIMITED BY THE LOAN AGREEMENT AND THE COUNTY BOND, THE COUNTY), EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE SERIES 2014 BONDS FROM THE REVENUES AND FUNDS PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COUNTY, AS APPLICABLE, UNDER AND LIMITED BY THE LOAN AGREEMENT AND THE COUNTY BOND), IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2014 BONDS. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified and recited that all conditions, acts and things which are required by the Constitution or by the statutes of the State or by the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2014 Bond exist, have happened and have been performed and that the Series 2014 Bonds, together with all other indebtedness of the Authority, are within every debt and other limit prescribed by said Constitution or statutes.

This Series 2014 Bond shall not be entitled to any security or benefit under the terms of the Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been manually executed by the Trustee upon original issuance and thereafter by the Bond Registrar.

IN WITNESS WHEREOF, THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY has caused this Series 2014 Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman and its corporate seal to be affixed, impressed or reproduced hereon, and this Series 2014 Bond and such seal to be attested by the manual or facsimile signature of its Secretary, all as of the DATED DATE set forth above.

ATTEST:

THE CUMBERLAND COUNTY  
IMPROVEMENT AUTHORITY

\_\_\_\_\_  
, Secretary

BY: \_\_\_\_\_  
, Chairman

[SEAL]

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ [PLEASE PRINT OR TYPE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NO. OF ASSIGNEE] the within Series 2014 Bond and all rights hereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, as Attorney, to transfer the within Series 2014 Bond on the registration books of The Cumberland County Improvement Authority with full power of substitution and revocation.

NOTICE: The signature to this assignment must correspond with the name of the REGISTERED OWNER hereof as it appears upon the face of the within Series 2014 Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

SIGNATURE GUARANTEE:  
(Medallion Guarantee Program Stamp)

\_\_\_\_\_

**Section 1402. Form of Certificate of Authentication of Trustee or Bond Registrar.** The form of Certificate of Authentication by the Trustee or Bond Registrar on the Bonds shall be substantially as follows:

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the issue of General Obligation Revenue Bonds (Technical High School Project), Series [2014] of The Cumberland County Improvement Authority, described and delivered pursuant to the within-mentioned Bond Resolution and being dated \_\_\_\_\_, 2014.

U.S. Bank National Association, as [Trustee]  
[Bond Registrar]

By: \_\_\_\_\_  
Authorized Signatory

**Section 1403. Effective Date.** This Bond Resolution shall take effect upon adoption in accordance with the Act, specifically *N.J.S.A. 40:37A-50(e)*.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

MOTION:

SECOND:

RECORDED VOTE

AYES:

ABSTAIN:

NAYES:

ABSENT:

The foregoing is a true copy of a Bond Resolution adopted by the governing body of THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY at a meeting thereof duly called and held on September 3, 2014.

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**GERARD VELAZQUEZ, Executive Director**