

RESOLUTION 2023-38
2024 AUTHORITY BUDGET RESOLUTION
Monmouth County Improvement Authority
FISCAL YEAR: August 01, 2023 to July 31, 2024

Commissioner Melnick offered the following Resolution and moved its adoption:

WHEREAS, the Annual Budget for Monmouth County Improvement Authority for the fiscal year beginning August 01, 2023 and ending July 31, 2024 has been presented before the governing body of the Monmouth County Improvement Authority at its open public meeting of June 1, 2023; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$120,750.00, Total Appropriations including any Accumulated Deficit, if any, of \$120,750.00, and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$0.00; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$0.00 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$0.00; and

WHEREAS, the schedule of rents, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Monmouth County Improvement Authority, at an open public meeting held on June 1, 2023 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Monmouth County Improvement Authority for the fiscal year beginning August 01, 2023 and ending July 31, 2024, is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Monmouth County Improvement Authority will consider the Annual Budget and Capital Budget/Program for Adoption on July 13, 2023.

Seconded by Commissioner Hinds and adopted on the following roll call vote:

AYES: Commissioners Hinds, Iantosca, Melnick and Barham

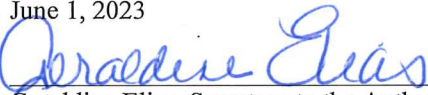
NAYS: None

ABSTAIN: None

ABSENT: Commissioner Nicastro

CERTIFICATION

I hereby certify the above to be a true copy of a
Resolution adopted by the Monmouth County
Improvement Authority at a meeting held on
June 1, 2023



Geraldine Elias, Secretary to the Authority

RESOLUTION 2023- 39

**RESOLUTION APPOINTING GERALDINE ELIAS AS SECRETARY TO THE
MONMOUTH COUNTY IMPROVEMENT AUTHORITY**

Commissioner Hinds offered the following resolution and moved its adoption:

WHEREAS, the Monmouth County Improvement Authority (the “Authority”) is authorized, pursuant to the County Improvement Authorities Law (N.J.S.A. 40:37A-44 et seq) (The “Act”) to issue bonds for the purpose of financing and refinancing the costs of projects authorized by the Act; and

WHEREAS, the Authority has determined that it is in the best interest of the citizens of Monmouth County (the “County”) to appoint a Secretary to the Authority to act as Custodian of the Records and Administrative Assistant to the Authority; and

**NOW, THEREFORE, BE IT RESOLVED BY THE MONMOUTH
COUNTY IMPROVEMENT AUTHORITY AS FOLLOWS:**

1. Geraldine Elias is hereby appointed as Secretary to the Board through and including the next reorganizational meeting of the Authority and until a successor is appointed.

Seconded by Commissioner Melnick and adopted on the following roll call vote:

AYES: Commissioners Hinds, Iantosca and Melnick and Chairman Barham.

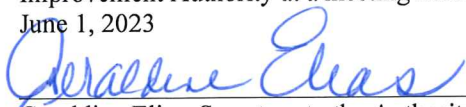
NAYS: 0

ABSTAIN 0

ABSENT: Commissioner Nicastro

CERTIFICATION

I hereby certify the above to be a true copy of a
Resolution adopted by the Monmouth County
Improvement Authority at a meeting held on
June 1, 2023



Geraldine Elias, Secretary to the Authority

MONMOUTH COUNTY IMPROVEMENT AUTHORITY

**RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE
REVENUE BONDS (MONMOUTH COUNTY
GUARANTEED) (MONMOUTH OCEAN EDUCATIONAL
SERVICES COMMISSION PROJECT) OF MONMOUTH
COUNTY IMPROVEMENT AUTHORITY**

Adopted June 1, 2023

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**RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE
REVENUE BONDS (MONMOUTH OCEAN EDUCATIONAL
SERVICES COMMISSION PROJECT) OF THE
MONMOUTH COUNTY IMPROVEMENT AUTHORITY**

BACKGROUND

WHEREAS, the Monmouth County Improvement Authority (“Authority”) has been duly created by resolution of the Board of Chosen Freeholders (currently known as the Board of County Commissioners) of the County of Monmouth, New Jersey (“County”) as a public body corporate and politic of the State of New Jersey (“State”) pursuant to and in accordance with the County Improvement Authorities Act, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:37A-44 et seq.) (“Act”); and

WHEREAS, the Authority is authorized, pursuant to the Act, to provide financing for the provision of Public Facilities (as defined in the Act) for use by local government units, including municipalities within the County; and

WHEREAS, the Board of Directors of Monmouth Ocean Educational Services Commission (“Board”) has requested the Authority to provide financial assistance for the purpose of renovating its existing facility located at 100 Tornillo Way, Tinton Falls, New Jersey and undertaking the construction of an addition to said existing facility, together with all costs and expenses related thereto and necessary therefor (collectively, the “Initial Project”); and

WHEREAS, the Authority proposes to finance the costs of the Initial Project through the issuance of its Lease Revenue Bonds, Series 2023 (Monmouth County Guaranteed) (Monmouth Ocean Educational Services Commission Project), in the aggregate principal amount not to exceed \$17,500,000 (“Initial Bonds”), which Initial Bonds will be payable from payments to be received from the Board pursuant to and in accordance with the terms and conditions set forth in the lease agreement between the Authority and the Board; and

WHEREAS, to induce the prospective purchasers of the Initial Bonds to purchase the same and provide additional security to the holders thereof, the County has, in accordance with Section 37 of the Act, N.J.S.A. 40:37A-80, agreed to unconditionally and irrevocably guaranty the punctual payment of the principal of and interest on the Initial Bonds; and

WHEREAS, the Authority has applied to the Local Finance Board of the New Jersey Department of Community Affairs, Division of Local Government Services (“Local Finance Board”), pursuant to N.J.S.A. 40A:5A-6, for positive findings with respect to the issuance of the Initial Bonds and has received such findings from the Local Finance Board; and

WHEREAS, the Authority desires to specify and determine certain terms and conditions with respect to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY AND THE MEMBERS THEREOF, AS FOLLOWS:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 101. Definitions. The following terms which are used as defined terms herein shall, unless the context clearly requires otherwise, have the meanings set forth below:

“Accountant” means any registered municipal accountant who is also a certified public accountant of the State of New Jersey (who may be the accountant or a member of the firm of accountants who regularly audit the books and accounts of the Authority) selected by the Authority from time to time;

“Act” means the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto;

“Additional Bond” means any of the bonds of the Authority which are authorized and issued under and pursuant to the terms of Sections 314 and 315 hereof;

“Additional Project” means (i) any additions, enlargements, improvements, expansions, repairs, restorations or reconstructions of the Initial Project; or (ii) the acquisition, construction or improvement of any facilities by the Authority which are used or useful in connection with the Initial Project including, without limitation, all real and personal property and rights therein and any appurtenances which are necessary or useful and convenient therefor; or (iii) the acquisition, renovation, repair, addition, expansion, restoration, construction or improvement of any facilities or property by the Authority, at the request of the Board, which are necessary or convenient and used or useful by the Board or the Authority in connection with the governmental services provided or to be provided by such entities;

“Agreement” or “Lease Agreement” means the Lease Purchase Agreement by and between the Authority, as lessor and the Board, as lessee, and any and all modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions of the Agreement and the Resolution;

“Annual Budget” means the budget or the amended budget for a Fiscal Year, as adopted by the Authority and as may be in effect from time to time;

Articles and Sections which are mentioned herein by number are the respective Articles and Sections of the Resolution which are so numbered;

“Authority” means the Monmouth County Improvement Authority, a public body corporate and politic of the State of New Jersey organized and existing under the Act and created by virtue of a resolution of the Board of Chosen Freeholders (currently known as the Board of County Commissioners) of the County;

“Authority Administrative Expenses” means any and all reasonable 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 Resolution and the

Agreement, as applicable, including, but not limited to, (i) the Initial Authority Financing Fee, (ii) all fees and expenses, including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of the Bonds, the financing of all or a portion of the Project, compelling the full and punctual performance of this Resolution and the Agreement in accordance with the terms hereof and thereof, (iii) all reasonable fees and expenses, including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and other and (iv) any reasonable fees and expenses, including but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar or the Trustee or any or all Fiduciaries in fulfilling any of their respective fiduciary responsibilities under this Resolution and the Agreement, all to the extent not capitalized pursuant to the requirements of this Resolution, which Authority Administrative Expenses shall be paid by the Board under the Agreement;

“Authority Officer” means the Chairman, the Vice Chairman, the Treasurer, the Secretary or Assistant Secretary of the Authority and, when used with reference to an act or a document, also means any other person who shall be authorized by resolution of the Authority to act on behalf of the Authority or by a written certificate duly executed on behalf of the Authority by the Chairman or by the Vice Chairman of the Authority, which certificate shall set forth such authorization and shall contain the specimen signatures of each such person;

“Authorized Board Representative” means a person or persons who shall be authorized to act on behalf of the Board by virtue of a written certificate duly executed on behalf of the Board which certificate shall set forth such authorization and shall contain the specimen signature of each such person;

“Authorized County Representative” means a person or persons who shall be authorized to act on behalf of the County by virtue of a written certificate duly executed on behalf of the County which certificate shall set forth such authorization and shall contain the specimen signature of each such person;

“Board” means the Board of Monmouth Ocean Educational Services Commission;

“Bond” or “Bonds” means any of the bonds of the Authority which shall be authenticated and delivered under and pursuant to the terms of the Resolution, including the Initial Bonds and any Additional Bonds or any Bonds which are issued in lieu of or in substitution for such Bonds pursuant to the terms of the Resolution;

“Book-Entry Bonds” means Bonds authorized to be issued to, and issued to and registered in the name of, a Securities Depository directly or indirectly for the beneficial owners thereof;

“Bondholder” or the term “holder” or any similar term when used with reference to a Bond or Bonds, means any person who shall be the Registered Owner of any Outstanding Bond or Bonds;

“Bond Reserve Fund” means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof;

“Bond Reserve Fund Requirement” means as of any particular date of calculation, an amount of money equal to Maximum Annual Debt Service on account of all such Bonds; provided

however that the amount to be deposited in connection with the issuance of any Series of Bonds (or issue of Bonds, if multiple Series are considered one issue for tax purposes) shall not exceed an amount equal to the lesser of (A) ten percent (10%) of the original principal amount of each Series of Bonds (or the issue price of such Series, or issue as aforesaid if the original issue discount and plus any original issue premium of such issue exceeds two percent (2%) of the original aggregate principal amount of the Series of Bonds) or (B) 125% of the average annual debt service requirement on said Series of Bonds of the same issue for tax purposes.

“Bond Service Fund” means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof;

“Bond Service Requirement” for any Fiscal Year means, as of the date of calculation, an amount equal to the sum of:

(1) The amount which is required to pay interest on Outstanding Bonds on the interest payment dates for such Bonds during such Fiscal Year except to the extent that such interest shall have been provided by payment into the Bond Service Fund from proceeds derived from the sale of the Bonds or by payments of investment income which are required or which are permitted to be transferred into the Revenue Fund or the Bond Service Fund; and

(2) The amount which is required to pay the principal of Outstanding Bonds on any date established for the payment of such principal of the Bonds during such Fiscal Year; provided however, that, for the purpose of this calculation, the principal amount of Term Bonds shall be reduced by an amount which is equal to the Sinking Fund Installments which have been made prior to the date on which the Term Bonds mature; and

(3) The Sinking Fund Installment, if any, which is required to be made on any date established for the payment of Sinking Fund Installments with respect to the Bonds during such Fiscal Year;

“Business Day” means any day other than a Saturday, Sunday, legal holiday in the State or a day on which either the Trustee or the Authority is legally authorized to close;

“Certificate of Authority Officer” means any certificate which is executed (a) prior to the authentication and delivery of any Series of Bonds by an Authority Officer who has been authorized by the Authority in order to determine the time and manner (public or private) of sale of the Bonds, the maturities and rate or rates of interest (which may be fixed or which may change at such time or times in accordance with a specified formula or method of determination), and in order to determine such other terms and conditions of the Bonds, including without limitation, the appointment of any Fiduciary, as are appropriate and which are not otherwise inconsistent with the terms of the Resolution or the terms of any Supplemental Resolution of the Authority, or (b) by an Authority Officer for any purpose which is provided in the Resolution or in any Supplemental Resolution of the Authority, other than as provided in (a) above;

“Code” means the Internal Revenue Code of 1986, as same may be amended from time to time, and the regulations promulgated thereunder;

“Consulting Engineer” means an independent engineer(s) or engineering firm or architect(s) or architectural firms or at the time employed by the Board with respect to the Project to perform and carry out the duties imposed on and having experience with respect to the construction and operation of facilities of comparable size and character as the Project.

“Construction Fund” means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 401 hereof;

“Cost of Issuance Account” means the account so designated which is herein established and created by the Authority pursuant to the terms of Section 508 hereof;

“Cost or Costs of the Project” shall mean and shall be deemed to include, together with any other proper item of cost which is not specifically mentioned herein, whether incurred prior to or after the date of the Agreement: (a) costs and expenses which are incurred for labor and materials and payments to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of any kind that may be required or that may be necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) the costs and expenses for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties which are required by or which are consequent to the proper construction of the Project; (d) compensation and expenses of the Trustee, the Paying Agent, the Registrar, or any fiduciaries, costs and expenses for financial advisory legal, accounting, financial and printing services, fees and all other expenses incurred in connection with the issuance of the Bonds; (e) all other costs which shall be required to pay under the terms of any contract or contracts for the acquisition, construction or installation of the Project; (f) any sums which are required to reimburse the Board or the Authority for advances made by either or both of them for any of the above items, or for any other Costs incurred and for work done by either or both of them, which are properly chargeable to the Project; (g) deposits in the Bond Service Fund for payment of interest on the Bonds and deposits in any other fund or account under the Resolution, all as shall be provided in the Resolution; (h) the Authority Administrative Expenses of the Authority which are incurred in connection with the financing of the Project, as set forth in the Agreement; and (i) such other expenses which are not specified herein as may be necessary or incidental to the construction, acquisition and installation of the Project, the financing thereof and the placing of the same in use and operation;

“Counsel’s Opinion” means an opinion which shall be signed by an attorney or firm of attorneys of recognized standing (who may be counsel to the Authority) which shall be selected by the Authority, and, if such opinion is required to be delivered to the Trustee, which firm shall be satisfactory to the Trustee;

“County” means the County of Monmouth, a municipal corporation of the State of New Jersey;

“County Guaranty” means the ordinance adopted by the County on May 11, 2023, authorizing the guaranty of the payment, when due, of the principal of and interest on the Initial Bonds;

“County Guaranty Agreement” means the agreement entered into by and among the Authority, the Board, the Trustee and the County pursuant to which the County guarantees the payment, when due, of the principal of and interest on the Initial Bonds;

“County Guaranty Costs” means all direct and indirect Costs and expenses of the County incurred with respect to the County Guaranty, including amounts paid by the County pursuant to Section 513 hereof, together with interest on such amounts at an annual interest rate equal to the County’s cost of obtaining funds required to make such payments (including, but not limited to, lost earnings on the investment of available funds used to make such payment or the net interest cost of such Series of Bonds, whichever is higher, as shall be determined by the County), reasonable attorneys’ fees and other costs arising out of the required payment or expenses for the collection, enforcement and repayment pursuant to the County Guaranty, together with the interest accrued on such sum until the time of repayment to the County;

“County Repayment Fund” means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof;

“County Repayment Requirement” means the amount of County Guaranty Costs expended by the County;

“Event of Default” shall have the meaning given to such term in Section 1001;

“Event of Nonappropriation” shall have the meaning given to such term in the Lease.

“Fiduciary” means the Trustee, the Registrar or the Paying Agent, or any or all of them, as the case maybe;

“Fiscal Year” means the period of twelve calendar months, as shall be determined from time to time by a resolution duly adopted by the Authority;

“Fund or Funds” means, as the case may be, each or all of the Funds established in Section 501.

“General Fund” means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof;

“Herein,” “hereunder,” “hereby”, “hereto”, and “hereof” and any similar terms refer to the Resolution; the term “heretofore” means prior to the adoption of the Resolution; and the term “hereafter” means subsequent to the adoption of the Resolution;

“Initial Authority Financing Fee” means an amount equal to .125% of the original par amount of the Initial Bonds for the initial financing fee of the Authority for the Initial Bonds or any other amount for the Initial Authority Financing Fee determined by a Supplemental Resolution duly adopted by the Authority;

“Initial Bonds” means any of the Bonds which are authorized under Section 301 hereof and which may be issued in one or more Series pursuant to the terms of Section 302 hereof, and

any Bonds issued in lieu of or in substitution for such Initial Bonds pursuant to the terms of the Resolution;

“Initial Project” means the undertaking the construction of an approximate 22,800 square foot addition to its existing facility located at 100 Tornillo Way, Tinton Falls, New Jersey, and together with all costs and expenses related thereto and necessary therefor;

“Investment Obligations” means, to the extent that any of the following constitute permitted investments for the Authority, (a) any direct and general obligation of, or any obligation fully and unconditionally guaranteed by the United States of America; (b) negotiable or non-negotiable certificates of deposit which are issued by any bank, savings and loan association, trust company, national banking association or other banking institution (which may include any fiduciary) which certificates of deposit, except in the case of certificates of deposit issued by a bank, savings and loan association, trust company, national banking association or any other banking institution that is located in the State of New Jersey or that has a capital stock and surplus of more than \$50,000,000, shall be continuously secured by obligations described in subparagraph (a) of this definition, which shall have a market value (exclusive of accrued interest) which is at all times at least equal to the principal amount of such certificates of deposit and such collateral shall be lodged with the Trustee, as custodian, by the bank, savings and loan association, trust company, national banking association or other banking institution issuing such certificates of deposit; (c) deposits in interest bearing accounts in any bank, savings and loan association, trust company, national banking association or other banking institution (which may include any fiduciary) that is located in the State of New Jersey or that has a capital stock and surplus of more than \$50,000,000; (d) shares or beneficial interests in an investment fund or trust whose assets consist of obligations which are described in subparagraph (a) of this definition; (e) interests in the State of New Jersey Cash Management Fund or other similar common trust fund for which the New Jersey State Treasurer is the custodian; (f) investment agreements with any bank, trust company, national banking association or other banking institution having a capital stock or surplus of more than \$200,000,000 or investment agreements with any government bond dealer which reports to, trades with and is recognized as a dealer by the Federal Reserve Bank of New York or Philadelphia for the purchase of securities described in subparagraph (a) above; provided however, that such investment agreements shall be continuously secured by obligations described in subparagraph (a) of this definition which have a market value (exclusive of accrued interest) which is at all times at least equal to the principal amount invested in such investment agreement; and provided further, that such security or collateral is transferred to the Trustee, or is held in trust for its account, as titleholder, and is held in a segregated account by a bank, trust company, national banking association or other banking institution having a capital stock and surplus of more than \$200,000,000; or (g) certificates that evidence ownership of the right to receive payments of principal or interest on obligations described in subparagraph (a) hereof, provided that such obligations shall be transferred to the Trustee, or held in trust for its account, as titleholder, and is held in a segregated account by a bank, trust company or national banking association having a capital stock and surplus of more than \$200,000,000. However, only the obligations which are described in subparagraph (a) shall be considered to be an Investment Obligation for purposes of Section 1201 hereof.

“Maximum Annual Debt Service” means an amount equal to the greatest (i) interest on Outstanding Bonds and (ii) principal on Outstanding Bonds, each case, for the then current or any future calendar year for Outstanding Bonds.

“Outstanding,” when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (a) any Bond which has been cancelled by the Authority or by the Registrar at or before said date, (b) any Bond for the payment or redemption of which either (i) cash, in an amount which is equal to the principal amount and redemption premium, if any, thereof, as the case may be, with interest accrued and unpaid and interest to accrue to the date of maturity or the redemption date, as the case may be, or (ii) moneys and/or Investment Obligations in the amounts, of the maturities and otherwise conforming with the provisions of Section 1201 hereof, shall have theretofore been deposited with the Trustee in trust whether upon or prior to the maturity date or the redemption date of such Bonds and, except in the case of a Bond to be paid at maturity, of which notice of redemption shall have been given in accordance with the terms of Article VII hereof or for which irrevocable instructions to give such notice have been provided for, and (c) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the provisions of the Resolution;

“Paying Agent” means any paying agent for the Bonds which shall be appointed by the Authority pursuant to the terms of Section 1102(a) hereof, and its successor or successors, and any other corporation or association that may at any time be substituted in its place pursuant to the terms of the Resolution;

“Project” means collectively, the Initial Project and each Additional Project;

“Rebate Fund” means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof;

“Record Date” means, with respect to a particular Series of Bonds, (a) the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each interest payment date, in the event that the interest payment date is the first (1st) day of a month, (b) the first (1st) day (whether or not a Business Day) of the calendar month next preceding each interest payment date in the event that the interest payment date is the fifteenth (15th) day of the month (c) as otherwise provided for a Series of Bonds in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds, or, as determined in a Certificate of Authority Officer which is duly executed in connection with the issuance of the Bonds;

“Redemption Price” means, when used with respect to any Bond, the principal amount of such Bond (or portion thereof) plus the applicable redemption premium, if any, which is payable upon redemption thereof in the manner contemplated in accordance with its terms and in accordance with the terms of the Resolution, together with interest accrued thereon to the date fixed for redemption;

“Registered Owner” means the owner of any Bond, as determined on the Record Date, and as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar;

“Registrar” means the registrar or bond registrar for the Bonds which shall be appointed by the Authority pursuant to the terms of Section 1102(b) hereof, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Resolution;

“Resolution” means this General Bond Resolution, as such term is defined in Section 106 thereof, and as may be amended and supplemented from time to time;

“Revenue Fund” means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof;

“Revenues” means (i) all revenues, income, rents and receipts which are derived or which are to be derived by the Authority, from or attributable to the leasing of the Project, other than Additional Rent (as described in Section 4.1(B), (C) or (D) and Section 4.2 of the Agreement), including all revenues received by the Authority under the terms of the Agreement (other than amounts received by the Authority pursuant to Section 4.1(B), (C) or (D) and 4.2 of the Agreement,) and all revenues received by the Authority from the operation of the Project following an Event of Nonappropriation, and (ii) any investment income which is derived from the investment of any funds which are held by the Trustee pursuant to the terms of the Resolution and which are deposited in the Revenue Fund, except for any funds required to be deposited in the Rebate Fund;

“Series” when used with respect to less than all of the Bonds, means all of the Bonds which are authenticated and delivered on original issuance in a simultaneous transaction and which are so designated by the Supplemental Resolution of the Authority authorizing the Series, regardless of variations in maturity, interest rate or other provisions, and any Bonds which are thereafter authenticated and delivered in lieu of or in substitution for any of such Bonds pursuant to the terms of Resolution;

“Serial Bonds” shall mean the Bonds of a Series which shall be stated to mature in annual or semiannual installments;

“Sinking Fund” means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof;

“Sinking Fund Installment” means the amount of money which is required to be paid from the Sinking Fund toward the retirement of any Term Bonds pursuant to the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Bonds, or, as may be determined by a Certificate of Authority Officer, as the case may be. However, “Sinking Fund”, as such term is used in the preceding sentence, does not include any amount which is Payable by reason only of a maturity of a Term Bond;

“State” shall mean the State of New Jersey;

“Supplemental Resolution” means any resolution of the Authority amending or supplementing the Resolution which is duly adopted and which becomes effective in accordance with the terms of Article VIII hereof;

“Term Bonds” means the Bonds of a Series which shall be stated to mature on one date and which shall be subject to retirement by operation of the Sinking Fund;

“Trustee” means the trustee for the Bonds which shall be appointed by the Authority pursuant to the terms of Section 1101 hereof, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Resolution; and

“Underlying Lease” means the Ground Lease by and between the Board, as lessor, and the Authority, as lessee, and any and all modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions of the Underlying Lease and the Resolution.

Words importing persons include firms, associations and corporations;

Words importing the maturity or payment of a Bond do not include or connote the becoming due of such Bond upon redemption thereof prior to maturity pursuant to the terms of the Resolution or the payment of the Redemption Price thereof;

Words importing the redemption of, redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity date, or the payment of such Bond upon declaring the same due and payable in advance of such maturity date, or the purchase of such Bond; and

Words importing the singular number include the plural number and vice versa.

Section 102. Successors and Assigns. Whenever the Authority is named or referred to in the Resolution, such reference shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations, and agreements by or on behalf of, and other provisions for the benefit of the Authority which are contained in the Resolution shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of the Resolution or to comply with or fulfill any conditions which are set forth in the Resolution.

Section 103. Parties Interested Herein. Nothing which is contained in the Resolution (expressed or implied) is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Authority, the Trustee and the holders of the Bonds, any right, remedy or claim under or by reason of the Resolution or any, covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements which are contained in the Resolution and which are to be performed by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the holders of the Bonds.

Section 104. Severability of Invalid Provisions. If any one or more of the covenants or agreements which are contained in the Resolution which are to be performed on the part of the Authority, any Fiduciary or any agent or employee of the Authority should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution or of the Bonds.

Section 105. Applicable Law. The Resolution is adopted pursuant to statutes of the State of New Jersey, and the law of said State shall be applicable to its interpretation and construction.

Section 106. Short Title. This resolution may hereafter be cited by the Authority and is hereinafter sometimes referred to as the “General Bond Resolution”.

ARTICLE II

DETERMINATIONS BY AND OBLIGATIONS OF THE AUTHORITY

Section 201. Authority for Resolution. The Resolution is hereby adopted by virtue of the Act and pursuant to its provisions, and the Authority has ascertained and hereby determines that each and every act, matter, thing or course of conduct for which provision is made in the Resolution is necessary in order to carry out and to effectuate the purposes of the Authority in accordance with the Act and to carry out powers expressly given to the Authority in the Act and to further secure the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Section 202. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Resolution shall be deemed to be and shall constitute contracts between the Authority, the Trustee and the Holders from time to time of the Bonds. Any pledge which is made in the Resolution and the covenants and agreements which are set forth herein and which are 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 issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to the terms of the Resolution.

Section 203. Obligation of Bonds. The Bonds shall be limited and special obligations of the Authority. All Bonds and Bondholders shall be entitled to the benefit of the continuing pledge and lien created by the Resolution to secure the full and final payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds and the interest thereon shall not be deemed to constitute a debt, liability, general obligation or a pledge of the faith and credit or the taxing power of the State, the County (except to the limited extent of the County Guaranty) or any political subdivision thereof, and do not directly, indirectly or contingently obligate the State, the County (except to the limited extent of the County Guaranty) or any political subdivision thereof to levy or to pledge any fowl of taxation whatsoever for the payment of said principal and interest. Any liability of any kind whatsoever incurred by the Authority under or by reason of the Resolution shall be payable solely from the proceeds of the Bonds and from revenues to be received by the Authority under the provisions of this Resolution and not from any other fund or source. The Authority has no taxing power.

Section 204. No Personal Liability. No recourse shall be had by the Holder for any claim based on the Bonds or the Resolution against any member, officer, agent or employee, past, present or future, of, as the case may be, the Authority, or the Board or of any successor body as such, either directly or through the Authority, or the Board, as the case may be, or any such successor body, under any constitutional provision, statute or rule of law or by the assessment or penalty or by any legal or equitable proceeding or otherwise unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. No covenants, stipulation, obligation or agreement of the Authority or the Board contained in the Bonds, the County Guaranty or the Resolution or in any document to which the Authority or the Board is a party shall be deemed to be a stipulation, obligation or agreement of any present or future member, officer, agent or employee of, as the case may be, of the Authority or the Board executing the Bonds or the County

Guaranty, as applicable, shall not be liable personally thereon or subject to any personal liability or accountability by reason of the issuance thereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301. Authorization of Initial Bonds. In accordance with the terms of the Act and subject to and in accordance with the provisions of the Resolution and for the purpose of raising funds to pay the Cost of the Initial Project, Bonds of the Authority, each constituting an Initial Bond, are hereby authorized to be issued in one or more Series in an aggregate principal amount not to exceed \$17,500,000.

Section 302. Particular Terms of the Initial Bonds and Sinking Fund Installments Therefor.

(a) Each Initial Bond shall be entitled “Lease Revenue Bond, Series 2023 (Monmouth County Guaranteed) (Monmouth Ocean Educational Services Commission Project).” The Initial Bonds shall be dated, shall bear interest at such rate or rates per annum and shall mature on such dates as may be fixed by a Supplemental Resolution of the Authority duly adopted prior to their authentication and delivery, or, as shall be determined by a Certificate of Authority Officer, as the case may be. Such resolution or certificate may contain any other terms and provisions of the Initial Bonds which are not fixed by this Resolution. The Initial Bonds shall be payable as to principal and redemption premium at the principal corporate trust office of the Paying Agent. Interest on the Initial Bonds shall be payable in accordance with the provisions of Section 303 hereof. The Initial Bonds shall be subject to redemption prior to their stated maturities to the extent, in the order, at the times, upon the terms, at such Redemption Price and subject to all other terms, conditions and provisions (in conformity with the terms of Article VI hereof) as shall be specified and determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Initial Bonds, or, as shall be determined by a Certificate of Authority Officer, as the case may be.

(b) Toward the retirement of the Initial Bonds which are Term Bonds, there shall be due and the Authority shall pay Sinking Fund Installments on the particular dates or in such several amounts as shall be specified and determined by a Supplemental Resolution of the Authority adopted prior to the authentication and delivery of such Initial Bonds, or, as shall be determined by a Certificate of Authority Officer, as the case may be.

Section 303. General Terms of Bonds. The Bonds shall bear such designation or title, including the words “Lease Revenue Bond, Series 2023 (Monmouth County Guaranteed) (Monmouth Ocean Educational Services Commission Project)” as may be fixed by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds, or, as shall be determined by a Certificate of Authority Officer, as the case may be. Every Bond shall mature on the date set forth in such Supplemental Resolution or Certificate of Authority Officer, shall be payable with respect to principal, redemption premium, if any, and interest thereon in any coin or currency of the United States of America which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts, shall be issued in the form of a fully registered Bond payable to a named person or registered assigns, shall be substantially in the forms provided in the Resolution, with such omissions, insertions and variations as are properly required and as specified in a Supplemental Resolution of the Authority duly adopted prior to their

authentication and delivery, or, as determined by a Certificate of Authority officer, as the case may be.

Interest on each of the Bonds shall be payable from and after its date on the dates set forth in such Supplemental Resolution of the Authority duly adopted prior to their authentication and delivery, or, as shall be determined by a Certificate of Authority Officer, as the case may be. All Bonds shall be of the denomination of \$5,000 each, or any integral multiple thereof, and shall be in substantially the form provided for in Section 1207 hereof. The Bonds may contain or may have endorsed thereon such provisions, specifications and descriptive words as are (a) not inconsistent with the provisions of the Resolution, (b) necessary or desirable in order to comply with custom or with the rules of any securities exchange or commission or brokerage board, and (c) authorized by a Supplemental Resolution or by a Certificate of Authority Officer of the Authority duly adopted prior to the authentication and delivery thereof. Each Bond shall bear interest from its date. Unless otherwise provided by a Supplemental Resolution or by a Certificate of Authority Officer of the Authority, duly adopted prior to the authentication and delivery of any Bonds, each Bond shall be dated as of the date which is six months preceding the interest payment date next following the date of delivery thereof except that (a) if such date of delivery shall be an interest payment date thereof, said Bond shall be dated as of such date of delivery, or (b) if there shall be no interest payment date thereof preceding such date of delivery, then notwithstanding any of the foregoing provisions of this Section, such Bonds shall be dated as of the date of original issuance of such Bond, or (c) if interest on such Bond shall not have been paid in full in accordance with its terms, then, notwithstanding any of the foregoing provisions of this Section, such Bond shall be dated as of the date to which interest has been paid in full on such Bond. Interest on Bonds shall be paid by check or bank draft and shall be mailed to the Registered Owner at the most recent address appearing on the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar; provided however, at the written request of a Registered Owner of \$1,000,000 or more in principal amount of Bonds, such interest shall be paid by wire transfer of funds to a bank account located in the Continental United States as designated by such Registered Owner. Such written request shall be delivered to the Registrar and the Paying Agent.

Section 304. Execution of Bonds. Each Bond shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of its Secretary. In the event that 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 so signed, sealed or attested shall have been authenticated and delivered by the Trustee upon original issuance, such Bonds may nevertheless 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 Bonds may be signed, sealed or attested on behalf of the Authority by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not have held such office.

Section 305. Authentication of Bonds. The Bonds shall bear thereon a certificate of authentication, substantially in the form set forth in Section 1207 hereof, which shall be duly executed by an authorized officer of the Trustee or by an authorized officer of the Registrar. Only such Bonds as shall bear thereon such certificate of authentication, and which have been duly

executed, shall be entitled to any right or benefit under the terms of the 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 Registrar, as the case may be. Such certificate of authentication upon any Bond shall be conclusive and the only evidence that the Bond so authenticated has been duly authenticated and delivered under the terms of the Resolution and that the holder thereof is entitled to the benefit of the Resolution.

Section 306. Transfer and Registry of Bonds and Agency Therefor. The Authority shall cause the Registrar to maintain and keep books for the registration and transfer of the Bonds, and, upon presentation thereof for such purpose at the designated office of the Registrar, together with a written instrument of transfer which is satisfactory to the Registrar, and which is duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, the Registrar shall register or cause to be registered therein, and permit to be transferred thereon or to be exchanged, under such reasonable regulations as the Registrar may prescribe, any Bond which shall be entitled to registration, transfer or exchange. The Registrar is hereby appointed by the Authority to serve as its agent for such registration, transfer or exchange of Bonds.

Section 307. Transfer of Bonds. Each Bond shall be transferable only upon the registration books of the Authority at the designated office of the Registrar, by the Registered owner thereof in person or by his duly authorized in writing, upon surrender thereof together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney. Upon the transfer of such Bond, the Authority shall execute, and the Registrar shall authenticate and deliver, a new Bond or Bonds registered in the name of the transferee.

Section 308. Ownership of Bonds and Effect of Registration. As of the Record Date, the Authority and any Fiduciary may treat and consider the person in whose name any Bond is registered as the holder and absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of, redemption premium, if any, or interest thereon and for all other purposes whatsoever, and payment of or on account of, the principal of, redemption premium, if any, or interest on such Bond shall be made only to, or upon the order of, such Registered Owner thereof. However, such registration may be changed or discharged as provided in the Resolution. All payments which are made as provided in this Section shall be valid and effectual to satisfy and discharge the Authority's liability upon the several Bonds to the extent of the sum or sums so paid.

Section 309. Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds. In case any Outstanding Bond shall become mutilated or shall be destroyed, stolen, or lost, the Registrar shall authenticate and deliver a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bond and upon surrender of such mutilated Bond or in lieu of and in substitution for the Bond destroyed, stolen or lost upon filing with the Registrar of evidence, satisfactory to the Authority and the Registrar, that such Bond has been destroyed, stolen or lost. The owner of such Bond shall also provide the Registrar with proof of the ownership thereof, and shall furnish the Authority and the Registrar with indemnification satisfactory to them and shall comply with such other reasonable regulations, as the Authority and the Registrar may prescribe, and the owner of such Bond shall pay such expenses as the Authority and the Registrar may incur in connection therewith. In lieu of reissuing

a mutilated, destroyed, lost or stolen Bond which is due and payable, the Authority may pay the amount which is due on such Bond to the owner or holder thereof, provided that all of the requirements of this Section have been met.

Section 310. Regulations with Respect to Registrations, Exchanges and Transfers.

In all cases in which the privilege of transferring Bonds is exercised, the Authority shall execute and the Registrar shall authenticate new Bonds in accordance with the provisions of the Resolution. For every registration exchange or transfer of Bonds, the Authority or the Registrar, as the case may be, may charge a sum which is sufficient to reimburse them for any tax or other governmental charge or other fees which are required to be paid, which sum, if not otherwise provided for, shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of effecting such registration, exchange or transfer. During the ten days next preceding any interest payment date of the Bonds, or in the case of any, proposed redemption of Bonds, subsequent to the date next preceding the date of the mailing of notice of such redemption, neither the Authority nor the Registrar shall be required to make any registration, transfer or exchange of any Bonds under the provisions of this Article. The Registrar shall, not less often than quarterly, deliver to the Authority a statement of all Bonds issued in lieu of or in substitution for other Bonds pursuant to the terms of this Article, including a report of the description and disposition of such other Bonds.

Section 311. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the Authority may execute, and upon its written request, the Trustee upon original issuance, and thereafter the Registrar, shall authenticate and deliver one or more printed, lithographed or typewritten Bonds in temporary form, substantially of the tenor of the Bonds hereinbefore described, together with any appropriate omissions, variations and insertions. Such Bond or Bonds in temporary form shall be in such authorized denominations as the Authority may determine. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit of the Resolution. The Authority shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form, the Registrar shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form in authorized denominations of the same maturity and for the same aggregate principal amount as the surrendered Bond or Bonds in temporary form. Such exchange shall be made by the Authority without making any charge therefor except that the Authority may require payment of a sum which is sufficient to cover any tax or other governmental charge that may be imposed upon it in connection therewith.

Section 312. Issuance of Each Series of Initial Bonds and Disbursements of Proceeds of Sale and Other Funds. An amount not exceeding the aggregate principal amount of Initial Bonds which are particularly authorized to be issued by the terms of the Resolution may be executed by or on behalf of the Authority and delivered to the Trustee or the Registrar for authentication upon original issuance, and there upon the Initial Bonds shall be authenticated by the Trustee or the Registrar, as the case may be. Upon fulfillment of the conditions hereinafter set forth, the Bonds shall be delivered by the Trustee or the Registrar, as the case may be, to the Authority or upon its order. The proceeds which are derived from the sale of each Series of Initial Bonds, including accrued interest thereon, together with other funds, if any, which are held by the Authority and which are not pledged or otherwise committed for a specific purpose, shall

simultaneously with the issuance of each such Series of Initial Bonds, be paid by the Authority as follows:

(a) To the Trustee, to be deposited in the Bond Service Fund, a sum equal to the accrued interest on the Series of Initial Bonds from the date of the Initial Bonds to the date of delivery thereof and the amount, if any, equal to capitalized interest on the Series of Initial Bonds, as reflected in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Initial Bonds, or, as shall be determined in a Certificate of Authority Officer, as the case may be;

(b) To the Trustee, to be deposited in the Bond Reserve Fund, a sum equal to the Bond Reserve Requirement on the Series of Initial Bonds, as reflected in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Initial Bonds, or, as shall be determined in a Certificate of Authority Officer, as the case may be;

(c) To the Trustee, to be deposited in the Cost of Issuance Account, the amount which is estimated to be necessary to pay the costs and expenses incurred or to be incurred by the Authority in connection with the issuance and delivery of the Series of Initial Bonds;

(d) If any Series of Initial Bonds are insured, to the issuer of any municipal bond insurance policy with respect to such Series of Initial Bonds, the amount of any premium which is due and payable with respect to such insurance policy; and

(e) To the Trustee, to be deposited in the Construction Fund, the balance of such proceeds, if any, which are remaining after the foregoing payments have been made.

Section 313. Conditions Precedent to Issuance of Each Series of Initial Bonds. The Trustee shall not deliver to the Authority, or upon its order, any Series of Initial Bonds pursuant to the terms of the Resolution unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee the following:

(a) A copy of the Resolution, certified by the Secretary of the Authority;

(b) A copy of any Supplemental Resolution of the Authority, certified by, the Secretary of the Authority, fixing the rate or rates of interest on such Series of Initial Bonds and all other terms and provisions of such Series of Initial Bonds which are not fixed by the terms of the Resolution and a copy of each amending resolution of the Authority, if any, which has been duly adopted prior to the authentication and delivery of such Series of Initial Bonds pursuant to and in accordance with the provisions of Section 908 hereof, each certified by the Secretary of the Authority;

(c) A copy of the Certificate of Authority Officer, if any, duly executed in connection with the sale of the Series of Initial Bonds, as provided in Section 302 and 303 hereof;

(d) The written order of the Authority as to the delivery of the Series of Initial Bonds, signed by an Authority Officer and stating the amount of the proceeds which have been derived from the sale of the Series of Initial Bonds;

(e) A Counsel's Opinion stating, in the opinion of the signer, that (i) the Resolution and each Supplemental Resolution and each amending resolution referred to in subparagraph (b) above have been duly and lawfully adopted by the Authority, are in full force and effect and are valid and binding on the Authority, the Trustee and the holders of the Series of Initial Bonds in accordance with their respective terms, and that all conditions precedent to the authentication of the Series of Initial Bonds upon original issuance by the Trustee have been satisfied and that the Trustee may lawfully authenticate the Series of Initial Bonds; (ii) the Resolution creates the valid pledge which it purports to create of the Revenues, moneys, securities and funds which are held or set aside under the terms of the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the terms of the Resolution; and (iii) the Bonds of such Series are valid and binding obligations of the Authority, as provided in the Resolution, and are entitled to the benefits of the Resolution and of the Act, and that such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the terms of the Resolution; provided however, that such opinion may take exception for limitations which are imposed by or which result from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

(f) A copy of the Agreement, certified by the Secretary of the Authority and the consent of the Board pursuant to Section 511;

(g) A Counsel's Opinion, stating, in the opinion of the signer, that (i) the Authority has the right and power under the Act and under other applicable law to enter into the Agreement; (ii) the execution of the Agreement has been duly and lawfully authorized by the Authority, and (iii) the Agreement has been duly and lawfully executed by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms; that such opinion may, take exception for limitations which are imposed by or which result from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors, rights generally;

(h) An opinion of the counsel to the Board, stating, in the opinion of the signer, that (i) the Board has the right and power to enter into the Agreement; (ii) the execution of the Agreement has been duly and lawfully authorized by the Board, and (iii) the Agreement has been duly and lawfully executed on behalf of the Board by an Authorized Board Representative, is in full force and effect, is valid and binding upon the Board and is enforceable in accordance with its terms; provided however, that such opinion or opinions may take exception for limitations which are imposed by or which result from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

(i) The amounts which are required to be delivered to the Trustee pursuant to the terms of Section 312 hereof;

(j) If any Series of the Initial Bonds are insured, a copy of any municipal bond insurance policy issued with respect to the Initial Bonds, certified by the Secretary of the Authority;

(k) A Certificate of Authority Officer setting forth the aggregate principal amount of Initial Bonds which are issued on the date of such Certificate and the aggregate principal

amount of each Series of Initial Bonds which have been issued by the Authority prior to the date of such Certificate, including the date each such Series of Initial Bonds was issued;

(l) A copy of the County Guaranty, certified by an Authorized County Representative; and

(m) Any additional documents which are required to be executed and delivered pursuant to the terms of any contract which is executed by or on behalf of the Authority in connection with the sale of the Series of Initial Bonds, unless the execution and delivery of such additional documents has been waived by the purchaser of such Series of Initial Bonds.

Section 314. Purposes, Authorization and Description of Additional Bonds. (1) After the execution, authentication and delivery of the Initial Bonds, Additional Bonds of the Authority may be authorized to be issued pursuant to and in accordance with the terms of the Act either (a) for the purpose of raising funds to pay the Cost of acquisition or construction of part or parts of an Additional Project, including any deposit or increase into any fund or account which has been established by the terms of the Resolution and which is incidental thereto or which is deemed by the Authority to be necessary in connection therewith; (b) for the purpose of refunding any Bonds (including Additional Bonds) or any Project Notes of the Authority; or (c) to raise funds to complete any work for which Additional Bonds were issued pursuant to clause (a) above or for which the Initial Bonds were issued.

(2) Any series of Additional Bonds of the Authority shall be issued only after authorization thereof by a Supplemental Resolution of the Authority duly adopted prior to their authentication and delivery. Such Supplemental Resolution shall state the purpose or purposes for which such Additional Bonds are being issued, shall direct the application of the proceeds which are to be derived from the sale thereof to such purpose or purposes, and shall direct the execution and authentication thereof. Such Supplemental Resolution, or a Certificate of Authority Officer, as the case may be, shall fix and determine the date, principal amount, denominations, designation and numbers thereof, the rate or rates of interest or maximum rate of interest to be borne thereby, the place or places of payment therefor, the redemption privileges of the Authority, if any, with respect thereto, the amount and date of each Sinking Fund Installment for the retirement of any Term Bonds, and any other provisions thereof, all in accordance with the terms of the Resolution. Upon such authorization, such Additional Bonds may upon initial issuance, at one time, or from time to time, be executed by or on behalf of the Authority and delivered to the Trustee for authentication by the Trustee, as provided in the Resolution, and thereafter such Additional Bond issuance and, upon fulfillment of the applicable conditions set forth in the following Section, which shall be delivered by the Trustee to the Authority, or upon its order.

(3) All Additional Bonds shall be substantially in the form and tenor of Bonds as provided in Section 1207 hereof, except that, notwithstanding any other provision which is contained in the Resolution, such Bonds shall be issued in such principal amounts, shall be of such denominations, shall bear such dated date and such maturity date, shall bear such designation as to Series, numbers or symbols prefixed to their number distinguishing them from each other Bond, and shall be subject to redemption prior to maturity on such terms and conditions which are consistent with the provisions of the Resolution, and shall bear interest at such rate or such different or varying rates of interest per annum, and shall be payable at such time or times, as may be fixed

by the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds, or by a Supplemental Resolution of the Authority duly adopted prior to authentication and delivery of such Additional Bonds, or by the Certificate of Authority Officer which is referred to in Subparagraph (2) above, as the case may be.

(4) All Additional Bonds which are authorized by any one Supplemental Resolution of the Authority shall constitute Bonds of a single Series. No bonds, notes or other obligations of the Authority shall constitute Additional Bonds unless they are authenticated by the Trustee upon original issuance, and thereafter by the Registrar, as provided in the Resolution, nor shall such Additional Bonds be entitled to any right or benefit under the terms of the Resolution unless they are so authenticated, and no Additional Bond shall be valid and obligatory for any purpose of the Resolution unless said Additional Bond shall have been so authenticated.

(5) After their authentication and delivery by the Trustee upon original issuance, all Additional Bonds shall for all purposes hereof be deemed to constitute Bonds and shall be entitled to the pledge of the Revenues provided by the Resolution and shall have equal rank with the Initial Bonds and with all Additional Bonds which have been previously authenticated and delivered and such Additional Bonds shall be entitled to the security and benefit of such pledge and of the provisions of the Resolution.

(6) If Additional Bonds are issued which pay interest on dates different from interest payment dates of Bonds then outstanding, there shall be no requirement that, on an interest payment date of any Bond, the Trustee establish reserves, unless provided herein or under the terms of any Supplemental Resolution, for the benefit of the Holder of any other Bond on which interest is not being then paid.

Section 315. Conditions Precedent to Issuance of Additional Bonds. (1) The Trustee shall not authenticate or deliver upon original issuance any Additional Bonds to the Authority, or upon its order, unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee, among other things, the following:

(a) A copy of the Resolution and a copy of the Supplemental Resolution of the Authority, certified by the Secretary of the Authority, authorizing the issuance of such Additional Bonds, stating the purpose or purposes for the issuance of such Additional Bonds and otherwise conforming with the provisions of Section 314 hereof, and if such Additional Bonds are authorized for any purpose other than the refunding of Bonds or Project Notes, such Supplemental Resolution shall describe in brief and general terms the Additional Project to be financed by the issuance of such Additional Bonds;

(b) A copy of any Supplemental Resolution which has been duly adopted by the Authority, if required, certified by the Secretary of the Authority, fixing the rate or rates of interest on such Additional Bonds and all other terms and provisions thereof which are not fixed by the terms of the Supplemental Resolution referred to in subparagraph (a) above, or in the Resolution;

(c) A copy of the Certificate of Authority Officer, if any, which has been duly executed in connection with the sale of the Bonds, as provided in Section 303 and 314 hereof;

(d) A written request from the Board to the Authority, pursuant to the provisions of Section 3.5 of the Agreement, to issue such Series of Additional Bonds;

(e) If such Additional Bonds are authorized for a purpose which is described in clause (a), (b) or (c) of paragraph (1) of Section 314, a certificate of an Authorized Board Representative to the effect that the Agreement has been amended to cover the issuance of the Additional Bonds, if necessary. If no such amendment is required, a Counsel's opinion stating same shall be delivered to the Trustee;

(f) The written order of the Authority as to the delivery of such Additional Bonds, signed by an Authority officer and stating (i) the amount of the proceeds which are derived from the sale of such Additional Bonds, (ii) the amount, if any, of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Service Fund, (iii) the amount, if any, of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Reserve Fund, and (iv) the amount, if any, which is to be deposited in the Construction Fund, if any, or in the Cost of Issuance Account, as the case may be;

(g) The amount, if any, which is stated in said written order as the amount of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Service Fund, which amount shall be held by, the Trustee in the Bond Service Fund;

(h) The amount, if any, which is stated in said written order as the amount of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Reserve Fund, which amount shall be held by, the Trustee in the Bound Reserve Fund;

(i) The amount, if any, which is stated in said written order as the amount of such, proceeds which will be paid by the Authority to the Trustee for deposit in the Construction Fund, if any, or in the Cost of Issuance Account, as the case may be, which amount shall be held by the Trustee in such Construction Fund or in the Cost of Issuance Account;

(j) If such Additional Bonds are authorized for a purpose which is described in clause (a) of paragraph (1) of Section 314 hereof a certificate of the Consulting Engineer or Architect stating the opinion that the improvement which is described in such Supplemental Resolution constitutes an Additional Project, (2) the opinion that the remainder of such proceeds after deducting the amounts to be deposited in the Bond Service Fund and the Cost of Issuance Account will, together with any other funds of the Authority which are then available or which are expected to be available therefor, be sufficient to pay the Cost of the acquisition or construction of such improvement, and (3) the opinion as to the period of time which will be required for completion of the acquisition or construction of the improvement;

(k) If such Additional Bonds are authorized for a purpose described in clause (b) of paragraph (1) of Section 314, the amount of such proceeds which will remain after deducting the amount, if any, which is to be paid to the Trustee in accordance with the terms of subparagraphs (g) and (h) above;

(l) If such Additional Bonds are authorized for the purpose described in clause (c) of paragraph (1) of Section 314 hereof, a certificate of the Consulting Engineer stating that (1) the improvement for which the Additional Bonds are to be issued is one for which Bonds had

theretofore been issued, (2) the amount of proceeds which are to be deposited in the Construction Fund, if any, and that such proceeds, together with any other funds of the Authority which are then available or which are expected to be available therefor, will be sufficient, in his opinion, to pay the Cost of the completion of the acquisition or construction of said improvement; and

(m) A Counsel's Opinion approving the form of the Supplemental Resolution authorizing the issuance of the Additional Bonds and stating that its terms and provisions conform to the requirements of the Act and the Resolution, and that the order, certificates and amounts of money which are delivered or paid to the Trustee in accordance with the provisions of this Section 315 constitute compliance with the conditions hereinabove stated for the authentication and delivery of such Additional Bonds and that all of the conditions precedent to the authentication and delivery of the Additional Bonds have been satisfied and that the Trustee may lawfully authenticate the Additional Bonds upon original issuance.

(n) If the Additional Bonds are insured, a copy of any municipal bond insurance policy issued with respect to such Additional Bonds, certified by the Secretary of the Authority;

(o) with respect to the issuance of any Additional Bonds which are issued as Variable Rate Bonds, such other documents as may be required by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Additional Bonds, or, as may be required by the Certificate of Authority Officer executed in connection with the sale of such Additional Bonds;

(p) Any additional documents which are required to be executed and delivered pursuant to the terms of any contract which is executed by or on behalf of the Authority in connection with the sale of the Additional Bonds, unless the execution and delivery of such additional documents have been waived by the purchaser of such Additional Bonds; and

(q) Such other documents as may be required by a supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Additional Bonds, or as may be required by the Certificate of Authority Officer executed in connection with the sale of such Series of Additional Bonds.

(2) If such Additional Bonds are authorized for a purpose which is described in clause (a) or (c) of Paragraph (1) of Section 314 hereof, the Trustee shall deposit the proceeds issued for the Project which are derived from the sale thereof in the Construction Fund, the moneys so deposited shall be applied by the Authority and by the Trustee to pay the Cost of the improvement which is described in the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds.

(3) If such Additional Bonds are authorized for the purpose which is described in clause (b) of paragraph (1) of Section 314 hereof, the Trustee shall deposit an amount which is sufficient to pay the costs of issuance of such Additional Bonds in the Cost of Issuance Account and shall apply the remaining proceeds which are derived from the sale thereof to the refunding of such Bonds in accordance with the terms of the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds.

Section 316. Terms and Provisions Relating to Book-Entry Bonds. Notwithstanding any other provisions of this Resolution to the contrary, the following terms and provisions shall apply if the Bonds are issued as Book-Entry Bonds:

(a) Form of Book-Entry Bonds. Any Series of Bonds which are issued as Book-Entry Bonds shall be issued in registered form and one certificate in the aggregate principal amount of each maturity of such Series shall be delivered for each maturity of such Series. Such Book-Entry Bonds shall be substantially in the form of the Bond as set forth in Section 1207 hereof, with such additions, deletions, or other modifications as are approved by or on behalf of the Authority in connection with the issuance of such Series of Book-Entry Bonds.

(b) Registration of Book-Entry Bonds. All Book-Entry Bonds shall be registered by the Registrar in the name of the securities depository, or its nominee. During the period that the Bonds are in Book-Entry Form, the securities depository shall be treated as the Holder of such Book-Entry Bonds for all purposes of this Resolution. Transfers of ownership interest in the Book Entry Bonds shall be made by the securities depository by book-entries which are made on the records of the securities depository.

(c) Payments Made with Respect to Book-Entry Bonds. Payment of the principal of, Redemption Price of and interest on Book-Entry Bonds shall be made by the Paying Agent directly to the securities depository, or its nominee as Holder for ultimate payment to the beneficial owners of interest in the Book-Entry Bonds.

(d) Resignation or Removal of Securities Depository. In the event that the securities depository resigns or is removed at the discretion of the Authority, pursuant to and in accordance with the provisions of this Resolution, and if no successor securities depository is appointed, the Bonds which were previously issued in Book-Entry Form shall be converted to registered Bonds in accordance with the written instructions received by the Registrar from the securities depository and the Authority shall be obligated to provide for execution and delivery of the Bonds in certificate form, as and to the extent provided by this Resolution.

(e) Other Provisions. In addition to the terms and provisions set forth herein, any other terms and conditions relating to any Book-Entry Bonds which are established by the securities depository shall be applicable to such Book-Entry Bonds as if set forth in full herein.

ARTICLE IV

CONSTRUCTION FUND

Section 401. Establishment of Construction Fund. The Authority hereby establishes and creates a special fund, designated the "Construction Fund" which shall be held by the Trustee and in which may be deposited any moneys which are received by the Authority from any source for payment of the Cost of construction or acquisition of the Project, including any moneys received from the proceeds of insurance and condemnation awards. Amounts which are deposited in the Construction Fund shall be held by the Trustee in trust and shall be applied (in accordance with and subject to the limitations of this Article) to pay the Cost of the Project, and such moneys are hereby pledged, pending application to the payment of such Cost, to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds and such moneys shall at all times be subject to the lien of such pledge. The Trustee shall establish within the Construction Fund a separate account for the Initial Project and for each Additional Project which is described in any Supplemental Resolution of the Authority which has been duly adopted pursuant to the terms of this General Bond Resolution.

Section 402. Purpose of the Construction Fund. The Trustee shall make payment from the Construction Fund for the cost of the Project in accordance with, and upon satisfaction of the terms of this Article. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Article and the Authority shall not cause or permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

Section 403. Payments from Construction Fund. The Trustee shall make payments from the Construction Fund, in the amounts, at the times, in the manner, and on such other terms and conditions as are set forth in this Section. Before any such payment shall be made, the Board shall file with the Trustee and Authority:

(a) a written requisition therefor, duly executed by an Authorized Board Representative, stating with respect to each payment to be made: (1) the name of the person, firm or corporation to whom payment is due, (2) the amount which is to be paid, and (3) in reasonable detail the purpose for which the obligation was incurred;

(b) a certificate attached to the requisition, duly executed by an Authorized Board Representative, certifying: (1) that obligations in the stated amounts have been incurred, and that each item therefor is a proper charge against the Construction Fund, is a proper Cost of the Project and has not been previously paid, (2) that the Board has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of any of the moneys which are payable under such requisition to any of the persons, firms or corporations named in such requisition, or if any such lien, attachment or claim has been filed with or served upon the Authority or the Board, that such lien, attachment or claim has been released or discharged, and (3) that such requisition contains no item which represents payment on account of any retained percentages which the Authority or the Board is at the date of such certificate entitled to retain; and

(c) in the case of expenses which have been incurred for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs or revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Project or payments which are to be made for labor and to contractors and materialmen in connection with such construction, or payments which are to be made for restoration of property which has been damaged or destroyed in connection with such construction, a certificate of an Authorized Board Representative, attached to such requisition, certifying that such officer has made reasonable investigations and that to the best of his knowledge each such obligation has been properly incurred, and that insofar as such obligation was incurred by the Board for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project or that such materials, supplies or equipment were fabricated for the construction thereof.

Upon the receipt of each such requisition and such accompanying certificates, the Trustee shall either pay such requisition directly or shall transfer from the Construction Fund to the credit of a special account in the name of the Authority, an amount which is equal to the total of the amounts which are required to be paid, as set forth in such requisition, and the amounts which are on deposit in such special account are to be held solely for the payment of the obligations set forth in such requisition. In making such transfer, the Trustee may conclusively rely upon such requisition and such accompanying certificates. If moneys for the payment thereof have been transferred to the special fund, each such obligation shall be paid by check and such check shall be signed by any two authorized Authority Officers and such check shall be drawn on such special account to the order of the person named in and in accordance with the terms of the requisition. Moneys which are deposited to the credit of such special account shall be deemed to be a part of the Construction Fund until such amount is paid out as provided above. If prior to the payment of any item the Authority or the Board should decide to stop payment of such item for any reason, an Authority Officer or an Authorized Board Representative shall give notice of such decision to the Trustee and thereupon the Trustee shall transfer the amount of such item from such special account to the Construction Fund.

Section 404. Requisitions with Respect to Land Costs. If any requisition which is filed with the Trustee in accordance with the terms of Section 403 hereof contains any item for payment of the Cost and expense of the acquisition of any lands, easements, or rights or interests in or relating to lands, there shall be attached to such requisition, before any transfer or payment with respect to such item shall be made, in addition to the certificates mentioned in Section 403 above, the following:

(a) a Certificate of Authority Officer or an Authorized Board Representative stating that such lands, easements, rights or interests are being acquired by the Authority and are necessary or useful and convenient for the construction of the Project; and

(b) a Counsel's Opinion stating, in the opinion of the signer, that the Authority has the power under the provisions of the Act to acquire such lands, easements, rights or interest, and that the Authority will have, upon the payment of such item, such right, title and interest as is or will be sufficient to provide the Authority with such undisturbed possession as the Authority requires for its purpose.

Section 405. Interim Investment of Construction Fund. Any moneys which are held in the Construction Fund shall be invested by the Trustee, at the oral direction of an Authority Officer after receiving direction from the Board (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than 90 days or any longer period which is indicated in a certificate prepared by the Consulting Engineer with respect to a drawdown of funds, as filed with the Trustee, if such certificate shows that the funds are not immediate within said 90 day period. Investment income shall be held in the Construction Fund and applied in accordance with the terms of this Article IV.

Section 406. Disposition of Balance in Construction Fund. The Trustee, when directed in writing by an Authority officer, shall apply the balance which is on deposit in the Construction Fund as provided in, and upon the terms and conditions set forth herein. Before any such application shall be made, the Board shall file its certificate with the Authority and Trustee and such certificate shall state that the portion of the Project for which the funds were deposited in the Construction Fund has been completed and that the sum stated in the certificate is sufficient to pay, and is required to be reserved in the Construction Fund to pay, all items of Cost of such portion of the Project which, as of the date of such certificate remain unpaid, including the estimated amount of any such items the amount of which is not finally determined and all claims against the Authority arising out of the construction thereof.

Upon receipt of such certificate, the Trustee shall apply the balance in the Construction Fund, in excess of the amount stated in the certificate referred to in the preceding paragraph, to the Cost of any part of the Project or to the payment, purchase or redemption of Bonds, all in accordance with the written direction of an Authority Officer after receiving direction from the Board.

ARTICLE V

REVENUES AND FUNDS

Section 501. Establishment of Funds. (1) In addition to the Construction Fund, the Authority hereby establishes and creates the following special funds:

- (a) Revenue Fund;
- (b) Bond Service Fund;
- (c) Bond Reserve Fund;
- (d) Sinking Fund;
- (e) County Repayment Fund;
- (f) Rebate Fund; and
- (g) General Fund.

(2) Each of said funds shall be held by the Trustee.

(3) Other funds may be created by Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of a particular Series of Bonds; provided however, that prior to the creation of any such fund, the Authority shall deliver a written opinion of Bond Counsel to the Authority stating that in the opinion of such firm, the creation of such fund will not adversely affect the rights of existing Bondholders.

Section 502. Pledge Securing Bonds. (a) The Bonds are special and limited obligations of the Authority payable solely from (i) Revenues, and (ii) all moneys, securities and Funds (except the Rebate Fund) which are held or set aside or which are to be held or set aside pursuant to the terms of the Resolution or which are held in any funds which are established and created under the Resolution are hereby pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. This pledge shall be valid and binding from and after the date of the first delivery by the Trustee of the first Bonds which are authenticated and delivered under the terms of the Resolution. The Revenues and other moneys, securities and funds which are so pledged and which are thereafter received by the Authority, and any other moneys hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Authority. The lien of such 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.

(b) Any moneys which are required to be paid to the Trustee by the County pursuant to the terms of the County Guaranty are hereby pledged to secure the payment of the principal of and interest on the Initial Bonds, and shall not be available for any other purpose under this Resolution. Upon receipt of any such moneys by the Trustee, such moneys shall,

notwithstanding the provisions of Section 503 hereof, be deposited in the Bond Service Fund and applied in accordance with the provisions of Section 505 hereof. Prior to or simultaneously with the delivery of the Initial Bonds, an Authorized Authority Representative shall deliver notification of such assignment to the Authorized County Representative.

(c) The pledge set forth in paragraph (a) of this Section 502 shall extend to the benefit of the County, both in its capacity as subrogee to Bondholders under Section 514 hereof and in respect of its entitlement to reimbursement for County Guaranty Costs under Section 506A hereof.

Section 503. Deposit of Revenues. From and after the authentication and delivery of the first Bond to be so authenticated and delivered under the terms of the Resolution, all Revenues shall be collected by the Authority and shall be deposited with the Trustee. The Trustee shall be accountable only for moneys which are actually so deposited. All such Revenues shall be paid by the Trustee into the Revenue Fund unless otherwise provided in the Resolution. Unless otherwise directed by any provision of the Resolution, any moneys other than the foregoing, which are received by the Authority from any other source may also be deposited in the Revenue Fund. Any moneys which are held in the Revenue Fund shall be invested, at the oral direction of the Authority (promptly confirmed in writing), by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the first day of the sixth month following the date of such investment.

Section 504. Periodic Withdrawals From Revenue Fund. On or prior to each interest payment date in any Fiscal Year, the Trustee shall, to the extent such moneys are available therefor, make payments out of any moneys which are on deposit in the Revenue Fund into the following several funds, but as to each such fund only within the limitation herein below indicated with respect thereto, and only after maximum payment within such limitation into every such fund previously mentioned in the following tabulation:

First: Into the Bond Service Fund, to the extent, if any, needed to increase the amount which is on deposit in the Bond Service Fund so that said amount equals the Bond Service Requirement on the next payment date; provided however, that for purposes of this Section, "Bond Service Requirement" shall not include any amounts which are payable into the Sinking Fund pursuant to the terms of paragraph Second below;

Second: Into the Sinking Fund, to the extent, if any, needed to increase the amount which is on deposit in the Sinking Fund so that said amount equals the amount of all Sinking Fund Installments which are due and payable on or before the next succeeding twelve month period;

Third: Into the Bond Reserve Fund, to the extent, if any, need to increase the amount which is on deposit in the Bond Reserve Fund so that said amount equals the Bond Reserve Requirement on the next payment date;

Fourth: Into the County Repayment Fund, to the extent, if any, needed to increase the amount which is on deposit in the County Repayment Fund until the amount on deposit equals the County Repayment Requirement with respect to such Series of Bonds;

Fifth: Into the General Fund, to the extent any funds are available.

Section 505. Application, Investment and Restoration of Bond Service Fund. (1)

Immediately prior to each interest payment date of the Bonds, the Trustee shall withdraw from the Bond Service Fund an amount which is equal to the interest which is due and payable on the Bonds on such interest payment date and shall cause the same to be deposited with the Paying Agent who shall apply the same to the payment of said interest when due. There shall also be deposited in the Bond Service Fund any moneys received as a result of the enforcement of the County Guaranty.

(2) If the withdrawals which are required to be made under the provisions of paragraph (1) of this Section with respect to the same and every prior date shall have been made, the Trustee shall withdraw from the Bond Service Fund, prior to each principal maturity date of the Bonds, an amount which is equal to the principal amount of Bonds, if any, maturing on said day, and shall cause the same to be deposited with the Paying Agent who shall apply the same to the payment of the principal of said Bonds when due.

(3) If the withdrawals which are required to be made under the provisions of paragraph (1) and paragraph (2) of this Section with respect to the same and every prior date shall have been made, the Trustee shall withdraw from time to time from the Bond Service Fund and pay into any account which is maintained in the Sinking Fund the amount which is sufficient to reimburse said account for any amounts which have been theretofore paid from said account for or on account of accrued interest on Bonds which have been purchased in accordance with the provisions of Section 506 hereof.

(4) If at any time there shall not be a sufficient amount on deposit in the Bond Service Fund to provide for any withdrawal therefrom which is required to be made under the provisions of paragraph (1) or paragraph (2) or paragraph (3) of this Section, the Trustee shall withdraw an amount which is sufficient to make up such deficiency from the Debt Service Reserve Fund and shall pay same into the Bond Service Fund

(5) If at any time there shall not be a sufficient amount on deposit in the Bond Service Fund to provide for any withdrawal therefrom which is required to be made under the provisions of paragraph (1) or paragraph (2) or paragraph (3) or paragraph (4) of this Section, the Trustee shall withdraw an amount which is sufficient to make up such deficiency from the General Fund and shall pay same into the Bond Service Fund.

(6) Any moneys which are on deposit in the Bond Service Fund shall be invested, at the oral direction of an Authority Officer after receiving direction from the Board (promptly confirmed in writing to the Trustee and to the Board) by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed to be applied to pay the interest on or the principal of any Bonds. Any investment income which is derived from the investment of moneys which are on deposit in the Bond Service Fund shall be deposited in the Revenue Fund; provided however, investment income which is derived from the investment of moneys which represent capitalized interest on any Additional Bonds which have been issued pursuant to Section 314(1)(a) hereof, and which were deposited in the Bond Service Fund from the proceeds derived from the sale of such Additional Bonds shall be deposited in the Construction Fund at the written direction of an Authority Officer.

(7) To the extent the payments by the County under the County Guaranty are applied to the payment of principal of and/or interest on the Bonds of a Series, the County, as subrogee pursuant to Section 514 hereof, shall be entitled to payment or repayment from the Bond Service Fund in the same manner as provided in this Section 505 as holders of the Bonds.

(8) No amount shall be withdrawn from or paid out of the Bond Service Fund except as expressly provided in this Section or Section 1006 hereof.

Section 505A. Application, Investment and Restoration of Bond Reserve Fund. (1) The Bond Reserve Fund is required to be maintained in the amount of the Bond Reserve Fund Requirement, which shall be held by the Trustee. The Trustee will, without further direction, transfer funds in the Bond Reserve Fund to the Bond Service Fund on any interest payment date, to the extent that the funds in the Bond Service Fund, after all transfers into the Bond Service Fund as provided in Section 505 hereof, on such interest payment date are insufficient to pay the interest and principal then due on the Bonds.

(2) At the written direction of the Board, whenever the amount held in the Bond Reserve Fund, together with any other funds then held under this Resolution, is sufficient to provide for the redemption in whole of all Outstanding Bonds, including any interest accrued to the date of redemption and any applicable redemption premium, such amount shall be transferred to the Bond Service Fund and applied to such redemption. On the final maturity of the Bonds or upon acceleration of the Bonds, any amount remaining in the Bond Reserve Fund shall be used to pay the amount, including any accrued interest, due on final maturity and any balance remaining after the Bonds are fully paid shall be disbursed to the Board.

(3) The Trustee shall determine the market value of the investment securities in the Bond Reserve Fund semiannually on each interest payment date. Interest earnings on cash and investment securities in the Bond Reserve Fund shall be retained in the Bond Reserve Fund, until withdrawn or transferred; provided, however, that if the amount of cash and securities in the Bond Reserve Fund is greater than the Bond Reserve Fund Requirement, such excess shall be transferred to the Revenue Fund.

(4) Any moneys which are on deposit in the Bond Reserve Fund shall be invested, at the oral direction of an Authority Officer after receiving direction from the Board (promptly confirmed in writing to the Trustee and the Board), by the Trustee in Investment Obligations described in clause (i) maturing or redeemable at the option of the holder not later than five (5) years from the date of purchase thereof.

Section 506. Application, Investment and Restoration of Sinking Fund. (1) The Trustee shall establish and shall maintain in the Sinking Fund a separate account for each Series of Term Bonds for which Sinking Fund Installments are established in accordance with the terms herein. Moneys which are paid into the Sinking Fund in any Fiscal Year pursuant to the terms of Section 504 hereof shall, upon receipt, be segregated and shall be set aside in such accounts in proportion to the respective amounts of the Sinking Fund Installments which are payable during such Fiscal Year with respect to the particular Term Bonds for which each such account is maintained. Moneys which are paid into the Sinking Fund pursuant to the terms of Section 505 hereof shall, upon receipt, be set aside in the account which is maintained therein with respect to

which such payment is a reimbursement. Moneys which are paid into the Sinking Fund pursuant to the terms of subparagraph (2) of this Section on account of any particular Sinking Fund Installment shall be set aside in the account which is maintained therein for the particular Term Bonds which are entitled to said Sinking Fund Installment.

(2) If on the date established for the payment of any Sinking Fund Installment for the Bonds, the full amount of all Sinking Fund Installments which are payable on such date shall not have been paid into the Sinking Fund pursuant to the terms of Section 504 hereof, the Trustee shall withdraw from the General Fund and shall pay into the Sinking Fund on account of such Sinking Fund Installments, the amount which was not previously paid into the Sinking Fund.

(3) The Trustee shall apply the moneys in any account which has been established in the Sinking Fund, as provided in subparagraph (1) of this Section, to the purchase or the redemption of the Bonds for which such account is maintained, in the manner provided in this Section, or to the payment of the principal thereof at maturity. If on any date there shall be moneys in any such account and none of the Term Bonds for each such account was established shall remain Outstanding, said account shall be closed and the moneys which are on deposit therein shall (upon the written direction of the Authority) be withdrawn therefrom by the Trustee and (a) shall be segregated and set aside in the other accounts in the Sinking Fund as if and with the same effect as if paid into the Sinking Fund by the Authority on said date pursuant to the terms of Section 504 hereof, or (b) if no other accounts shall be maintained in the Sinking Fund, shall be paid into the Revenue Fund.

(4) The purchase price which shall be paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond which shall be purchased pursuant to the terms of this Section shall not exceed the Redemption Price of such Bond which is applicable upon its redemption through the application of the moneys which are available for such purchase on the next date on which such Bond could be redeemed in accordance with its terms by operation of the Sinking Fund. Subject to the limitations hereinbefore set forth or referred to in this Section, at the written direction of the Board or the Authority, as the case may be, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as so directed and as may be possible with the amount of moneys which are available therefor in the Sinking Fund.

(5) As soon as practicable after the sixtieth (60) day and before the thirtieth (30) day prior to the date of each Sinking Fund Installment, the Trustee shall select for redemption on such Sinking Fund Installment due date such amount of Term Bonds of the Series for which the Sinking Fund Installment was established as will exhaust all moneys which are required to have been deposited in the Sinking Fund of such Sinking Fund Installment due date. Accrued interest on the Bonds which are to be redeemed shall be paid from the Bond Service Fund and all expenses which are incurred by the Trustee in connection with such redemption shall be paid from the Revenue Fund. All Bonds which are redeemed under the provisions of this Section shall be redeemed in the manner provided herein, and prior to the redemption date the Trustee shall withdraw from the Sinking Fund the amount of the Redemption Price (less accrued interest to be paid from the Bond Service Fund) of such Bonds, and such amount shall be transferred to the Paying Agent by the Trustee and such amount shall be applied by the Paying Agent to the redemption of such Bonds on the redemption date.

(6) In lieu of purchasing or redeeming Term Bonds prior to their stated maturity date pursuant to the terms of paragraphs (3) through (5) hereof, the Authority after receiving direction from the Board may elect to retain the funds which have been deposited into the Sinking Fund, or any portion thereof, until the stated maturity date of Bonds and the Authority may direct the Trustee to invest such funds in Investment Obligations; provided however, that each such Investment Obligation shall mature not later than the stated maturity date of such Bonds. Such election shall be made, as to all or part of the Term Bonds of such Series, on or prior to the date that such Term Bonds are authenticated and delivered. Funds which are retained in the Sinking Fund at the election of the Authority pursuant to the terms of this paragraph shall be invested by the Trustee at the oral direction of an Authority Officer after receiving direction from the Board (promptly confirmed in writing to the Trustee). In the event that any Investment Obligations which are purchased pursuant to the terms of this paragraph mature or are redeemed by the issuer thereof prior to the maturity date of the Term Bonds for which the Sinking Fund Installments were made, the Trustee, at the written direction of the Authority after receiving direction from the Board, shall either (i) reinvest the moneys in accordance with the terms of this paragraph, or (ii) purchase Term Bonds with respect to which the Sinking Fund Installments were made at any time at prices not exceeding the principal amount thereof, or (iii) redeem such Term Bonds in accordance with provisions of the Resolution, if any, authorizing redemption of such Term Bonds plus any accrued interest at the option of the Authority. Moneys which are on deposit in the Sinking Fund shall not be used to pay more than the principal amount of the Bonds which are to be redeemed. The Authority shall not make any election which is authorized herein unless, in the opinion of a nationally recognized bond counsel firm (which firm shall be acceptable to the Trustee) such investment will not cause the interest on the Bonds to become subject to Federal income taxation.

(7) Investment income which is derived from the investment of any funds which are held in the Sinking Fund shall be deposited by the Trustee, upon receipt, in the Revenue Fund.

(8) Any moneys which are on deposit in the Sinking Fund shall be invested at the oral direction of an Authority Officer after receiving direction from the Board (promptly confirmed in writing to the Trustee and to the Board) in Investment Obligations; provided however, except as to moneys which are invested pursuant to subparagraph (6) above, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed for the purposes of the Sinking Fund.

(9) If, immediately prior to the date which is established for the payment of a Sinking Fund Installment, all withdrawals or payments from the Sinking Fund which are required to be made pursuant to any other provision of the Resolution with respect to the same and every prior date shall have been made, and the amount which is on deposit in the Sinking Fund exceeds the aggregate principal amount of all Bonds which are then Outstanding for which Sinking Fund Installments have been established, such excess may be transferred by the Trustee, upon the written request of the Authority, and paid into the General Fund.

(10) No amount, if any, shall be withdrawn from or paid out of the Sinking Fund, except as expressly provided in this Section or Section 1006 hereof.

Section 5.06A Application and Investment of County Repayment Fund. Amounts in the County Repayment Fund shall be used solely to make reimbursement to the County for all

County Guaranty Costs, to the extent not previously reimbursed from the Bond Service Fund pursuant to Section 505(7) hereof. Amounts deposited in the County Repayment Fund from time to time shall be paid out by the Trustee from time to time to the County as reimbursement for County Guaranty Costs upon requisition therefor submitted to the Trustee and signed by an Authorized County Representative certifying: (i) the amounts to be paid, (ii) the purposes by general classification for which such County Guaranty Costs have been incurred and (iii) that such purposes in the stated amounts have been incurred by or on behalf of the County and that each item thereof is a proper charge against the County Repayment Fund and has not been previously paid. Amounts in the County Reimbursement Fund shall not be invested. No amount shall be withdrawn from or paid out of the County Reimbursement Fund except as expressly provided in this Section.

Section 507. Application, Investment and Restoration of Rebate Fund. All moneys which are subject to rebate to the United States Government pursuant to the provisions of the Code, as determined by the Authority in accordance with the terms of Section 614 hereof, shall be deposited in the Rebate Fund. Moneys which are on deposit in the Rebate Fund shall be invested by the Trustee in accordance with the provisions of Section 512 hereof, upon the oral direction of the Authority (promptly confirmed in writing to the Trustee and the Board) in such Investment Obligations as the Authority may approve; provided however, that such Investment Obligations shall mature in such amounts and at such times as will permit funds to be available when needed to make payments to the United States Government in accordance with the terms of Section 614 hereof. All income from such Investment Obligations shall be held within the Rebate Fund. Moneys in the Rebate Fund which the Authority determines are not subject to rebate in accordance with the Code, shall be, upon written direction from the Authority, transferred by the Trustee to the General Fund.

Section 508. Establishment of Cost of Issuance Account; Application and Investment of General Fund. (1) (a) The Authority hereby establishes and creates a special account in the General Fund, designated the "Cost of Issuance Account", which shall be held by the Trustee and in which shall be deposited a portion of the proceeds derived from the sale of any Bonds (in accordance with the provisions of Section 312(b) and Section 315(i) hereof unless such moneys are deposited in the Construction Fund in accordance with the terms of Section 315(i)). The moneys which are on deposit in the Cost of Issuance Account shall be used to pay the costs and expenses which are incurred by the Authority in connection with the issuance and delivery of any Bonds by the Authority. The Cost of Issuance Account shall be depleted and closed-out by the Trustee no later than six (6) months after its establishment for any series of Bonds.

(b) The Trustee shall make payments from the Cost of Issuance Account in the amounts, at the times, in the manner, and on such other terms and conditions as are set forth below. Before any such payment shall be made, the Authority shall file with the Trustee:

(i) a written requisition therefor, duly executed by an Authority officer and an Authorized Board Representative, stating with respect to each payment to be made: (aa) the name of the person, firm or corporation to whom payment is due, (bb) the amount which is to be paid, and (cc) in reasonable detail, the purpose for which the obligation was incurred; and

(ii) a certificate attached to the requisition, duly executed by an Authority Officer and an Authorized Board Representative, certifying: (aa) that obligations in the stated amounts have been incurred by the Authority, and that each item therefor is a proper charge against the Cost of Issuance Account and has not been previously paid and (bb) that the Authority has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of any of the moneys which are payable under such acquisition to any of the persons, firms or corporations named in such requisition, or if any such lien, attachment or claim has been filed with or served upon the Authority or Board, that such lien, attachment or claim has been released or discharged.

Upon the receipt of each such requisition and such accompanying certificates, the Trustee shall pay such requisition in an amount which is equal to the total of the amounts which are required to be paid, as set forth in such requisition.

(c) Any moneys which are on deposit in the Cost of Issuance Account shall be invested, at the oral direction of an Authority Officer after receiving direction from the Board (promptly confirmed in writing to the Trustee and the Board), by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed to be applied to pay the costs and expenses referred to in subparagraph (a) above.

(d) Notwithstanding the provisions of this Section, the Authority may after receiving direction from the Board, deposit the portion of the proceeds representing costs of issuance which are derived from the sale of any Series of Additional Bonds which are issued pursuant to the terms of Section 314(1)(a) hereof in the Construction Fund if the Supplemental Resolution of the Authority authorizing the issuance of such Series of Additional Bonds so provides.

(2) Notwithstanding any other provision of the Resolution, whenever at any date in any Fiscal Year (a) the amount which is on deposit in the Bond Service Fund equals or exceeds the Bond Service Requirement, (b) the amount which is on deposit in the Sinking Fund, if any, equals or exceeds the aggregate amount of all Sinking Fund Installments which are due at or before the next succeeding date within such Fiscal Year established for the payment of Sinking Fund Installments for the Bonds, (c) the amount which is on deposit in the Bond Reserve Fund equals or exceeds the Bond Reserve Requirement, and (d) the Authority is not in default in the payment of the principal of, redemption premium, if any, or interest on any of the Bonds, the Trustee shall, upon receipt of the written direction of the Authority, withdraw from and pay out of the General Fund, free and clear of any lien or pledge created by the terms of the Resolution, any amount which is then on deposit in the General Fund in excess of the amount which is then reasonably required, in the opinion of the Authority, to be reserved for the payment or the security of the Bonds and for any current or anticipated reconstruction of the Project. All amounts which are so withdrawn by the Trustee from the General Fund shall forthwith upon withdrawal be paid to the Board and such amounts may be used by the Board for any lawful purpose. All amounts which are so paid to the Board shall, upon withdrawal, be forever free and clear of any lien or pledge created by the terms of the Resolution. Any amounts which are so withdrawn may be deposited in the Revenue Fund to enable the Authority to meet the requirements of Section 610 hereof.

(3) Any moneys which are on deposit in the General Fund (other than moneys which are on deposit in the Cost of Issuance Account) shall be invested by the Trustee, at the oral direction of an Authority Officer after receiving direction from the Board (promptly confirmed in writing to the Trustee and to the Board), in Investment Obligations; provided however, that the maturity of every such investment Obligation shall not be later than five years from the date of such investment, except for the moneys on deposit in the Cost of Issuance Account. All income which is derived from the investment of moneys which are on deposit in the General Fund shall be deposited in the Revenue Fund.

(4) No amount shall be withdrawn from or paid out of the General Fund except as expressly provided in this Section or as provided in Section 1006 hereof.

Section 509. Funds Held for Payment of Bonds. The amounts which are held by the Trustee or which are applied by the Paying Agent for the payment of the principal of, redemption premium, if any, or interest which is due on any date with respect to particular Bonds after the due date and pending such payment, shall be set aside and held in trust for the holders of the Bonds who are entitled to such payment, and for the purposes of the Resolution, such principal, redemption premium, if any, and interest after the due date fixed for the payment thereof, shall no longer be considered to be unpaid.

Section 510. Cancellation of Bonds. All Bonds which are purchased, redeemed or paid shall, if surrendered to the Authority or to any Paying Agent, be cancelled by it and delivered to the Registrar, or if such Bonds shall be surrendered to the Registrar, shall be cancelled by it. Such Bonds shall not be deemed to be Outstanding under the terms of the Resolution and no Bonds shall be issued in lieu thereof. All Such Bonds shall be cancelled by the Registrar and shall be destroyed and a certificate thereof shall be delivered by the Registrar to the Authority.

Section 511. Assignment of Agreement. Subject to the terms of Section 611 hereof, all rights of the Authority to receive payments from the Board under the provisions of the Agreement (other than amounts to be received pursuant to Sections 4.1(B) and 4.2 thereof) are hereby pledged for the benefit and security of the holders of the Bonds in order to secure the punctual performance by the Authority of all of its Obligations under the terms and provisions herein and, for said purpose, such rights are hereby assigned by the Authority, to the Trustee. All payments which are to be received by the Authority pursuant to the terms of the Agreement are to be paid directly to the Trustee. In addition, the Authority hereby assigns its right to the Trustee to terminate the Agreement pursuant to Section 4.7 of the Agreement. Prior to or simultaneously with the delivery of the Initial Bonds, or any Series thereof, an Authority Officer shall deliver notification of such assignment to a representative of the Board and shall obtain the written consent to such assignment from the Board. Thereafter, a copy of such consent shall be delivered by the Authority to the Trustee.

Section 512. General Provisions With Respect to Investments. In accordance with the terms of Section 3.6 of the Agreement, the Trustee shall make investments upon the direction of an Authority Officer only after receiving direction from the Board.

Section 513. County Guaranty. The Initial Bonds shall be entitled to the benefit of the County Guaranty. The County shall take all actions necessary and permitted by law to provide for

and authorize the payment by the County, as needed, of all amounts due under the County Guaranty. Such actions may include, but not be limited to, the adoption of an emergency appropriation or an emergency temporary appropriation and the funding of such appropriation in accordance with the requirements of applicable State law, the levy of ad valorem taxes upon all taxable real property located within the County without limitation as to rate or amount, or any other actions that are legally permitted to be taken to meet the requirements of the County Guaranty, including the adoption of a bond ordinance pursuant to the provisions of applicable State law.

Section 514. Subrogation of County to Bondholders. The County shall, to the extent it makes a payment(s) pursuant to the County Guaranty, which payment(s) is to be applied to the payment of principal of and/or interest on the Initial Bonds, become subrogated to the rights of Bondholders. In the case of subrogation for such payment(s), the Trustee shall upon and in accordance with written direction of the County note on its records the County's rights as subrogee. In addition, the County shall be entitled to reimbursement for all County Guaranty Costs (including, but not limited to, any subrogation payments not repaid to the County as aforesaid) from amounts to be deposited from time to time in the County Repayment Fund.

ARTICLE VI

COVENANTS

Section 601. General. The Authority hereby particularly covenants and agrees with the Trustee and with the holders of the Bonds and makes provisions which shall be a part of its contract with such holders to the effect and with the purpose set forth in the following provisions and Sections of this Article.

Section 602. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid the principal of, redemption premium, if any, and the interest on every Bond, on the dates, at the place and in the manner provided for in the Bonds according to the true intent and meaning thereof. The Authority shall pay to the Trustee any part of any Sinking Fund installments which are payable on or before said due date which has not been previously paid into the Sinking Fund pursuant to any other provisions of the Resolution.

Section 603. Operation and Maintenance of Project. The Authority shall, at all times, cause the Board to operate the Project properly and in a sound and economical manner, and to maintain, preserve and keep the same properly or cause the same to be so maintained, preserved and kept, including the appurtenances thereto and every part and parcel thereof, in good repair, working order and condition. Further, the Authority shall make or cause to be made from time to time, all necessary and proper repairs, replacements and renewals so that the operation of the Project may be properly and advantageously conducted at all times.

Section 604. Rules, Regulations and Other Details. The Authority shall cause the Board to establish and enforce reasonable rules and regulations governing the operation, use and services of the Project. The Authority shall cause the Board to observe and perform all of the terms and conditions which are contained in all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body to the extent that same are applicable to the Project or to the Authority.

Section 605. Payment of Lawful Charges. The Authority shall cause the Board to pay all taxes and assessments or other municipal or governmental charges, if any, which are lawfully levied or assessed upon it or with respect to the Project, or upon any part thereof or upon any revenue levied therefrom, when the same shall become due, and the Authority shall cause the Board to duly observe and comply with all valid requirements of any municipal or governmental authority relating to any part of the Project, and the Authority shall not allow the Board to create or suffer to be created any lien or charge upon the Project or upon any part thereof and the Authority shall not create or suffer to be created any lien or charge upon the Revenues which are derived therefrom, except as expressly provided by the terms herein. The Authority will pay or cause to be discharged, or will make adequate provision to satisfy and discharge within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Project or upon any part thereof or upon the Revenues which are derived therefrom; provided however, that nothing contained in this Section shall require the Authority to pay, or cause to be discharged, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 606. Offices for Servicing Bonds. The Authority shall, at all times, maintain an office or agency in the State of New Jersey or in the City of Manhattan, in the city and State of New York where Bonds may be presented for registration, transfer or exchange, and where Bonds may be presented for payment or redemption. The Authority hereby irrevocably appoints the Registrar as its agent to maintain such office for the registration, transfer or exchange of Bonds. The Authority shall appoint one or more Paying Agents as its agent to maintain such office for the payment or redemption of Bonds.

Section 607. Powers as to Project. The Authority has, and will have as long as any Bonds remain outstanding, good right and lawful authority to undertake the Project and to cause the Board to construct, maintain, operate, improve and reconstruct the Project.

Section 608. Completion of Project. The Authority shall, with all practicable dispatch and in sound and economical manner, cause the Board to complete the construction and acquisition of the Project, and shall do all other acts and things which are necessary and reasonably possible to entitle it to receive at the earliest practicable time and to enforce the payment of fees, rents and charges which are payable with respect to the Project by the Board under the terms of the Agreement.

Section 609. Rates and Charges. (1) With respect to the use of the Project by the Board, the Authority shall make, impose, charge and collect rents, fees and other charges from the Board in connection with the use of the Project in accordance with the terms of the Act, to the extent permitted by the Agreement and as provided for herein.

(2) Such rents, fees and other charges for the use of the Project shall be so estimated, computed, made, charged, imposed and collected pursuant to the terms of the Agreement so that the rents, fees and charges which are collected and paid to the Trustee pursuant to the terms of Article V hereof for each Fiscal Year will be at least sufficient to (a) provide an amount which is equal to the Bond Service Requirement and (b) provide for the payment of all other charges or liens whatsoever which are payable by the Authority out of such rents, fees and charges during such Fiscal Year. For the purpose of this Section 609, Revenues shall be deemed to include any funds, other than funds which have been borrowed by the Authority, which the Authority deposits in the Revenue Fund, regardless of the source thereof.

Section 610. Compliance with Agreement and Enforcement of Revenues. The Authority will take all actions necessary to entitle it to make, impose and collect rates, fees and charges pursuant to the terms of the Agreement and to collect payments from the Board in accordance with the terms of the Act. The Authority shall not release or modify the obligations of the Board under the terms of the Agreement that would in any way affect the Board's obligation to make payments thereunder. Any modification of the Agreement shall be accompanied by a Counsel's Opinion which states that such modifications is in compliance with the provisions of this Section. The Authority shall take all reasonable measures which are permitted by the Act, the Agreement or otherwise by law, to enforce prompt payment to it of all Revenues 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 Agreement.

Section 611. Insurance. The Authority shall cause the Board to maintain, with responsible insurers, all such insurance as is required pursuant to the terms of Section 5.5 of the Agreement.

Section 612. Sale or Encumbrance. No part of the Project shall be sold, mortgaged, pledged, encumbered or otherwise disposed of; provided however, that the Authority may, at any time and from time to time, with the consent of the Board, sell or exchange a portion of the Project which, upon the advice of the Board is not useful or necessary in the construction, reconstruction or operation thereof. Any proceeds which are derived from any such sale or exchange and which are not used to replace the property so sold or exchanged shall be paid to the Trustee and shall be deposited in the General Fund.

Section 613. Creation of Liens: Subordinated Indebtedness. The Authority shall not issue any bonds, notes, or other evidences of indebtedness, other than the Bonds which are secured by a pledge of or other lien or charge on the Revenues, and shall not create or cause to be created any lien or charge on such Revenues, or on any amounts which are held by the Trustee or by any Paying Agent under the terms of the Resolution; provided however, that neither this Section nor any other provision of the Resolution shall prevent the Authority from issuing bonds or notes or other obligations for the purposes of the Authority which are payable out of, or which are secured by a pledge of Revenues which are to be derived on and after such date as the pledge of such Revenues which is provided in the Resolution shall be discharged and satisfied as provided in Section 1201 hereof. In addition, the Authority shall not be prevented from issuing bonds or notes or other obligations for the purposes of the Authority which are payable out of or which are secured by a subordinate pledge of the Revenues, or by a pledge of amounts which may be withdrawn from the General Fund pursuant to the terms of paragraph (2) of Section 508 hereof, and (a) that are issued for a purpose, the completion of which, in the opinion of the Consulting Engineer retained by the Board with respect to the Project (as evidenced by a certificate filed with the Trustee) will not cause a reduction in Revenues to be thereafter derived by or for the account of the Authority, and (b) which shall recite on their face that such pledge of said amounts is and shall be in all respects subordinate to the provisions of the Resolution and the lien and pledge created by the Resolution.

Section 614. Arbitrage and Tax Provisions. (1) The Authority shall maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code.

(2) The Authority shall not take or permit any action or fail to take any action, which would cause the Bonds of a Series to be “arbitrage bonds” within the meaning of Section 148(a) of the Code; or which would cause the Bonds of a Series to constitute “private activity bonds” within the meaning of Section 141(a) of the Code; nor shall any part of the proceeds of any Series of Bonds or any other funds of the Authority be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(3) The Authority shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the

Code from amounts on deposit in the Rebate Fund established under the Resolution and available therefor.

(4) Notwithstanding any other provision of the Resolution to the contrary, so long as necessary in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, the covenants contained in this Section 615 shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 1201 of the Resolution.

Section 615. Accounts and Audit. The Authority shall keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project or any part thereof, and which together with all other books and papers of the Authority, shall at all reasonable times be subject to inspection by the Trustee or by the Holder or Holders of not less than five per centum (5%) in aggregate principal amount of the Bonds which are then Outstanding or their representatives which are duly authorized in writing. The Authority shall cause its books and accounts to be audited annually as of the end of each Fiscal Year. Such audit shall be made by an Accountant selected by the Authority and, within six months after the end of each Fiscal year, copies of the reports of such audits shall be furnished to the Authority, an Authorized Board Representative, Division of Local Government Services in the Department of Community Affairs of the State, and to the Trustee. Such audits shall include statements, in reasonable detail, accompanied by a certificate of said Accountant, of financial condition, of Revenues, of all funds which are held by the Trustee or by any other Fiduciary and the security which is held therefor. The Authority shall cause a copy of every such audit report to be mailed to every Bondholder who shall request a copy of same.

Section 616. Further Assurances. The Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming all and singular rights, revenues and other funds which are hereby pledged or assigned, or which are intended to be so pledged or assigned, or which the Authority may hereafter become bound to pledge or assign, or as may be reasonable and as may be required to carry out the purposes of the Resolution and to comply with the terms of the Act. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect (i) the pledge of the Revenues and the other funds which are pledged hereunder. and (ii) the rights of the Bondholders provided hereunder against all claims and demands of all persons whomsoever.

Section 617. Conditions Precedent. On the date of issuance of any Series of Bonds, 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 and to have been performed precedent to or in the issuance of any Series of bonds shall exist, shall have happened and shall have been performed, and such Series of Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limited prescribed by said Constitution or statutes.

ARTICLE VII

REDEMPTION OF BONDS

Section 701. Privilege of Redemption and Redemption Prices. The Bonds of any Series which are subject to redemption prior to maturity at the option of the Authority, or at the direction of the Board pursuant to the provisions of the Agreement, shall be subject to redemption by or on behalf of the Authority upon notice as provided in this Article, to such extent, through application of such moneys, at such time or times, in such order, and on such other terms and conditions as shall be provided by the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds, or as shall be determined by a Certificate of Authority Officer, as the case may be, and as shall be provided in said Bonds. In all such cases, the Bonds shall be redeemed at the Redemption Prices set forth in said Bonds and which are applicable upon such redemption. If less than all of the Bonds of such Series of like maturity which are then Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected by lot in the manner set forth below; unless otherwise provided in a Supplemental Resolution, the maturities of the Bonds to be selected for redemption shall be determined by the Authority with written notice thereof being given to the Trustee.

Section 702. Selection of Bonds to be Redeemed by Lot. In the event of redemption by lot of Bonds of like Series and maturity, the Trustee shall assign to each Bond of such Series and maturity which is then Outstanding a distinctive number for each \$5,000 of the principal amount of such Bond and shall select by lot, using such method of selection as it shall deem proper in its discretion and from the numbers of all Bonds of such Series to be redeemed, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bond to be redeemed. The Bonds to be redeemed shall be the those Bonds whose numbers were so selected; provided however, that only so much of the principal amount of each such Bond (of a denomination of more than \$5,000) shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Section 703. Notice of Redemption. When the Trustee shall be required or shall be authorized, or shall receive notice from the Authority of its election to redeem Bonds, the Trustee shall, in accordance with the terms and provisions of the Bonds and the provisions of the Resolution, select the Bonds to be redeemed and the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds. Such notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts which are due and payable 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 CUSIP numbers or other distinguishing marks of such Bonds to be redeemed, and, in the case of a Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable with respect to each Bond to be redeemed, the Redemption Price thereof or the Redemption Price of the specified portion of the principal amount thereof (in the case of a Bond to be redeemed in part only) and such notice shall also state that from and after such date interest on such Bonds, or portion thereof, shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to such redemption date, to the Registered Owner of any Bond all or a portion of which is to be redeemed, at his last address, if any, appearing

upon the registration books of the Authority by the Registrar, but failure to receive such notice shall not affect the validity of any proceedings for the redemption of Bonds.

Section 704. Authority's Election to Redeem. The Authority shall give written notice to the Trustee of its election to redeem Bonds and of the redemption date, which notice shall be given at least forty-five (45) days prior to the redemption date or at such later date as shall be acceptable to the Trustee. In the event that the required notice of redemption shall have been given, the Authority shall, and hereby covenants that it will, prior to the redemption date, pay to the Trustee an amount in cash which, in addition to any other which are available therefor and which are held by the Trustee, will be sufficient to redeem, at the Redemption Price thereof, all of the Bonds which have been selected for redemption.

Section 705. Payment of Redeemed Bonds. If notice has been given by mail (in the manner provided in Section 703 hereof), the Bonds, or portions thereof, which have been called for redemption and which have been specified in said notice shall become due and payable on the redemption date specified in said notice at the Redemption Prices thereof which are applicable on such date, and, upon presentation and surrender thereof at the place or places specified in said notice together with, in the case of Bonds registered otherwise than to bearer, a written instrument of transfer which is duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, said Bonds or portions thereof shall be paid at the said Redemption Prices. If less than all of a Bond has been selected for redemption, the Authority shall execute and the Registrar shall authenticate a new Bond in an amount which is equal to the unredeemed balance of the principal amount of the bond so surrendered, upon the presentation and surrender of such Bond, to be delivered without charge to the owner thereof. At the option of the owner thereof, to the extent permitted by law, the Authority shall cause the Registrar to issue and to deliver Bonds of like Series, designation, interest rates and maturities in any of the authorized denominations. If, on such redemption date, moneys for the redemption of all of the Bonds (or portions thereof) of any like Series and maturity which are to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on behalf of the Trustee or the Paying Agent so as to be available therefor on such date and if a notice of redemption thereof shall have been mailed as aforesaid, then from and after such redemption date, interest on the Bonds (or portions thereof) of such Series and maturity which have been called for redemption shall cease to accrue and become payable, and said Bonds shall no longer be considered to be Outstanding hereunder. All moneys which are held by or on behalf of the Trustee or the Paying Agent for the redemption of particular Bonds shall be held in trust for the account of the holders of the Bonds to be redeemed.

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

Section 801. Supplemental Resolution Effective Upon Filing. For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority supplementing the Resolution may be adopted, which resolution, upon the filing with the Trustee of a copy thereof certified by the Secretary, shall be fully effective in accordance with its terms:

(1) To close the Resolution against, or provide limitations and restrictions (in addition to the limitations and restrictions contained in the Resolution) on the issuance in the future of Bonds, or of project notes, bonds, obligations or other evidences of indebtedness;

(2) To add other covenants or agreements to be observed by the Authority to the covenants or agreements of the Authority which are contained in the Resolution; provided however, that such other covenants and agreements are not contrary to or inconsistent with the terms of the Resolution as theretofore in effect;

(3) To add other limitations or restrictions to be observed by the Authority to the limitations or restrictions which are contained in the Resolution; provided however, that such other limitations or restrictions are not contrary to or inconsistent with the terms of the Resolution as theretofore in effect;

(4) To surrender any right, power or privilege which is reserved to or conferred upon the Authority by the terms of the Resolution;

(5) To confirm, as further assurance, any pledge which is created under, and the subjection to any lien or pledge created or to be created by, the terms of the Resolution, of the Revenues or of any other moneys, securities or funds;

(6) To specify, determine or authorize any and all matters and things relative to the Bonds or the proceeds which are derived from or which are to be derived from the sale thereof which are not contrary to or inconsistent with the terms of the Resolution;

(7) To authorize Additional Bonds and, in connection therewith, to specify, determine or authorize the matters and things which are mentioned or which are referred to in Article II hereof and any other matters and things relative to such Bonds or to the proceeds derived from the sale thereof which are not contrary to or inconsistent with the terms of the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination of any time prior to the authentication and delivery of the Additional Bonds; and

(8) To make any other change in the Resolution that in the opinion of bond counsel to the Authority does not adversely affect the rights of the holders of any of the Bonds.

Notwithstanding anything in this Section to the contrary, no such Supplemental Resolution, or provision thereof, shall modify the rights or obligations of any Fiduciary without its prior written consent thereto.

Section 802. Supplemental Resolution Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority amending or supplementing the Resolution may be adopted which resolution upon the (a) filing with the Trustee of a copy thereof, certified by the Secretary, and (b) filing with the Trustee and with the Authority of a written instrument of the Trustee consenting to such resolution, shall be fully effective in accordance with its terms:

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

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

Section 803. Supplemental Resolution Effective with Consent of Bondholders. (A) At any time or from time to time, a resolution of the Authority amending or supplementing the Resolution may be adopted modifying any of the provisions of the Resolution or releasing the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions which are contained therein, but no such resolution shall be effective until after the filing with the Trustee of a copy thereof, certified by the Secretary, and unless the Bonds which have been authenticated and delivered by the Trustee upon original issuance, or thereafter by the Registrar, prior to the adoption of such resolution remain Outstanding at the time such resolution becomes effective, or (2) such resolution is consented to by or on behalf of Bondholders in accordance with and subject to the provisions of Article IX hereof.

(B) The provisions of Paragraph (A) of this Section shall not be applicable to resolutions of the Authority which are adopted and which become effective in accordance with the Provisions of Section 801 or Section 802 hereof.

Section 804. Restriction on Amendments. (A) The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and the provisions of Article IX hereof. The provisions of Paragraph (A) of Section 803 hereof are in all respects subject to and subordinate to the provisions restrictions, exceptions and limitations which are set forth in Article IX hereof. Nothing contained in this Article or in Article IX hereof shall affect or limit the right or obligation of the Authority to pass, make, do, execute, acknowledge or deliver any resolution, act, deed, conveyance, assignment, transfer or assurance pursuant to the provisions of Section 617 hereof or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which the Authority is required to deliver to said Fiduciary.

(B) Notwithstanding any other provision in Article VIII or Article IX hereof to the contrary, the Resolution shall not be amended in any manner which affects the rights or obligations of the County hereunder without the prior written consent of an Authorized County Representative.

Section 805. Adoption and Filing of Supplemental Resolutions. Any resolution of the Authority which is referred to and which is permitted or authorized by the terms of Section 801, 802 or 803(A)(1) hereof may be adopted by the Authority without the vote or consent of any of the Bondholders, but such resolution shall become effective only on the conditions, to the extent

and at the time provided in said Sections. Every such resolution which shall become effective shall thereupon form a part of the Resolution. A copy of every such resolution when filed with the Trustee shall be accompanied by a Counsel's Opinion to the effect that such resolution has been duly and lawfully, adopted by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the provisions of the Resolution and when effective, will be valid and binding upon the Authority and will be enforceable in accordance with its terms.

Section 806. Authorization to Trustee. The Trustee is hereby authorized to accept the delivery of a certified copy of any resolution of the Authority which is referred to and which is permitted or authorized by the terms of Section 801, 802 or 803 hereof and the Trustee is authorized to consent to such resolution, if required, and to make all further agreements and stipulations which may be contained therein. The Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such resolution is authorized or permitted by the revisions of the Resolution and that such resolution does not contain any provision which is contrary to or which is inconsistent with the terms of the Resolution as theretofore in effect.

ARTICLE IX

AMENDMENTS

Section 901. Mailing; Application of Article. Any provision which is contained in this Article for the mailing of a notice or other reports or records to Bondholders shall be fully complied with if it is mailed, postage prepaid, only (a) to each Registered Owner of Bonds which are then Outstanding at the most recent address, if any, appearing upon 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 Registrar, and (b) to the Trustee.

Section 902. Powers of Amendment. Any modification or amendment of the provisions of the Resolution or of any resolution amendatory thereof or supplemental thereto and of the rights and obligations of the Authority and of the holders of the Bonds may be made by resolution of the Authority, as hereinafter specified, with the written consent given (as hereinafter provided in Section 903 hereof) of the holders of at least two-thirds in aggregate principal amount of the Bonds which are then Outstanding, or, if said resolution affects only the holders of a certain Series of Bonds, the holders of at least two-thirds in aggregate principal amount of the Bonds of such Series which are Outstanding at the time such consent is given, but no such modification or amendment shall permit a change in the maturity or terms of redemption of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon or any security therefor without the consent of the holder of such Bond. Further, no such modification or amendment shall permit any change of the rights or obligations of any Fiduciary with respect to the Bonds without its prior written consent thereto, or shall reduce the percentages or otherwise affect the description of Bonds the consent of the holders of which is required to effect any such modification or amendment. The Trustee may in its sole discretion determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity, or any particular holder, would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and on all holders of Bonds when such determination is delivered in writing to the Authority by the Trustee.

Section 903. Consent of Bondholders. The Authority may at any time adopt a resolution making a modification or amendment permitted by the provisions of Section 902 hereof, to take effect when and as provided in this Section. Upon the adoption of such resolution, a copy thereof, certified by the Secretary, shall be delivered to and shall be held by the Trustee for the inspection of the Bondholders. A copy of such resolution (or summary thereof or reference thereto in a form which is satisfactory to the Trustee) together with a request to Bondholders for their consent thereto, in a form which is satisfactory to the Trustee, shall be mailed by the Authority to each of the Bondholders (but failure to mail such copy and request shall not affect the validity of the resolution when consented to as provided in this Section). Such resolution shall not be effective unless and until (a) there shall have been filed with the Trustee (i) the written consents of the holders of the percentages of outstanding Bonds which is specified in Section 902 hereof, and (ii) a Counsel's Opinion stating that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the terms of the Resolution, and will be valid and binding upon the Authority and will be enforceable in accordance with its terms upon its becoming effective as provided in this Section, and (b) a

notice shall have been mailed as hereinafter provided in this Section. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates executed by the Trustee and filed in its office stating that it has examined such proof and that such proof is sufficient under the provisions of Section 1202 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 binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds which are issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof). At any time after the Holders of the required percentages of Bonds shall have filed their consents to the resolution, the Trustee shall make and shall file with the Authority and in its Office a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the resolution (which may be referred to as a 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, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such resolution from becoming effective and binding as provided in this Section). The Authority shall file with the Trustee proof of the mailing thereof to Bondholders. A record, consisting of the papers which are required or which are permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such resolution making such modification or amendment shall be deemed to be conclusively binding upon the Authority, the Trustee and the Holders of all Bonds at the expiration of forty (40) days after filing with the Trustee of the proof of the first mailing of such last-mentioned notice, except in the event that a final order of a court of competent jurisdiction setting aside such resolution in a legal action or equitable proceeding for such purpose was commenced within such forty day period, of which decree timely, notice shall have been given to the Trustee; provided however, that the Trustee and the Authority during the forty day period and any such further period during which any such action or proceeding may be pending shall be entitled, in their absolute discretion, to take such action, or to refrain from taking such action, with respect to such resolutions, as they may deem expedient.

Section 904. Modification by Unanimous Action. Notwithstanding anything which is contained in the foregoing provisions of this Article or in Article VIII hereof, the terms and provisions of the Resolution or of any resolution amendatory, thereof or supplemental thereto and the rights and obligations of the Authority and of the Holders of the Bonds, may be modified or amended in any respect upon the adoption by the Authority and upon the filing with the Trustee of a resolution to that effect and the consent of the Holders of all the Bonds which are then Outstanding, such consent to be 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 in the form permitted by Section 1202 hereof. No notice to Bondholder, shall be required. No such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its prior written consent thereto.

Section 905. Exclusion of Bonds. Bonds which are owned or which are held by or for the account of the Authority shall not be deemed to be Outstanding and shall be excluded for the purpose of consent or other action or for the purpose of any calculation of Outstanding Bonds which is provided for in this Article. The Authority shall not be entitled to give any consent or take

any other action provided for in this Article with respect to such Bonds. At the time of any consent or other action which is taken under the terms of this Article, the Authority shall furnish the Trustee with a Certificate of Authority officer, upon which the Trustee may rely, describing all of the Bonds to be so excluded.

Section 906. Notation on Bonds. Bonds which have been authenticated and delivered after the effective date of any action which has been taken pursuant to the terms of either Article VIII hereof or this Article may, and if the Trustee so determines, shall, bear a notation, by endorsement or otherwise, in a form approved by the Authority and the Trustee, as to such action, and in such case, upon the demand of the Holder of any Bond which is outstanding at such effective date and upon presentation of his Bond for such purpose at the principal corporate trust office of the Registrar, suitable notation as to any such action shall be made on such Bond by the Registrar. If the Authority or the Registrar shall so determine, new Bonds which shall bear such notation as is required in the opinion of the Registrar and the Authority to conform to such action shall be prepared, authenticated by the Registrar and delivered, and upon demand of the holder of any Bond which is then Outstanding such Bond shall be exchanged without cost to such Bondholder, for Bonds then outstanding, upon the surrender of such Bonds.

Section 907. Contracts or Indentures. The Authority, to the extent permitted by, law, may, and if requested by the Trustee shall, enter into a contract or an indenture with the Trustee giving effect to any modification or amendment of the Resolution or any resolution which is amendatory thereof or supplemental thereto as provided in Article VIII hereof or as provided in this Article.

Section 908. Amendment Prior to Issuance of Initial Bonds. Prior to the issuance of any of the Initial Bonds and notwithstanding anything contained in this Article, the Authority may, by resolution (herein called an "Amending Resolution"), modify or amend any of the terms or provisions of the Initial Bonds or of the Resolution in any respect or for any purpose. A copy of each such Amending Resolution, certified by the Secretary, shall be filed with the Trustee, and in the office of the Board Secretary.

Section 909. Amendments to the Lease Agreement or the Underlying Lease. Notwithstanding any provision in the Lease Agreement, the Underlying Lease or in the Resolution to the contrary, neither the Lease Agreement nor the Underlying Lease may be amended without the prior written consent of an Authorized County Representative.

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS; EVENT OF NONAPPROPRIATION

Section 1001. Events of Default. The occurrence of any of the following events is hereby defined as and is declared to be and to constitute an “Event of Default”:

- (a) Default in the due and punctual payment of any interest on any Bond; or
- (b) Default in the due and punctual payment of the principal or redemption premium, if any of any, Bond, whether at the stated maturity thereof, or the redemption date set therefor in accordance with the terms of the Resolution; or
- (c) Subject to the terms of Section 1011 hereof, failure by the Authority to observe and to perform any covenant, condition or agreement on the part of the Authority which is provided by Resolution or in the Bonds and the continuance of such failure for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall be given to the Authority by the Trustee; or
- (d) The filing of a petition by the Authority seeking a composition of indebtedness under the Federal Bankruptcy Laws or under any other applicable law or statute of the United States of America or of the State.

Section 1002. Acceleration. Upon the occurrence of an Event of Default which is identified in Section 1001(a) or (b) and such Event of Default continues without remedy for a period of thirty (30) days, the Trustee may and, upon the written request of the holders of not less than a majority in aggregate principal amount of Bonds which are then Outstanding, shall declare the principal of all Bonds which are then Outstanding and the interest which has accrued thereon to the date of such acceleration to be immediately due and payable by written notice delivered to the Authority. Upon the occurrence of an Event of Default which is identified in Section 10.01(c), and with the prior written consent of an Authorized County Representative, the Trustee may, and upon written request of the owners of not less than a majority in aggregate principal amount of Bonds which are then Outstanding, shall declare the principal of all Bonds which are then Outstanding and the interest which has accrued thereon to the date of such acceleration immediately due and payable by written notice delivered to the Authority. Upon any such declaration, the principal of and such interest on all Bonds which are then Outstanding shall become immediately due and payable.

Section 1003. Other Remedies. Upon the occurrence of an Event of Default, the Trustee may pursue any remedy which is available to it at law or in equity or by statute.

No remedy which is conferred upon or reserved to the Trustee or to the Bondholders by the terms of this Resolution is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any, such right or power or shall be construed to be a waiver of any such occurrence of any Event of Default or the acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Notwithstanding any provision of this Resolution to the contrary, the Underlying Lease shall not be subject to termination as a result of the occurrence of an Event of Default hereunder or under the Lease Agreement, or as a result of the exercise of any remedy hereunder or under the Lease Agreement.

Section 1004. Rights of Bondholders. If an Event of Default shall have occurred and shall be continuing and if requested to do so by the holders of not less than a majority in aggregate principal amount of the Bonds which are then outstanding and if indemnified, in a form which is satisfactory to the Trustee, the Trustee shall be obligated to exercise such one or more of the rights and the remedies conferred by this Article as the Trustee shall deem to be in the interests of the Bondholders and which are not contrary to law.

Section 1005. Rights of Bondholders to Direct Proceedings. Anything in this Resolution to the contrary notwithstanding, the owners of a majority in aggregate principal amount of the Bonds which are then Outstanding shall have the right, at any time, by a written instrument or instruments which shall be duly executed and delivered to the Trustee, to direct the method and the place of conducting all proceedings to be taken in connection with the enforcement of the terms and the conditions of this Resolution or for the appointment of a receiver or any other proceeding hereunder; provided however, that such direction shall not be otherwise than in accordance with the provisions of law and the provisions of this Resolution.

Section 1006. Application of Moneys. Any moneys which are received by the Trustee pursuant to any right which is given or any action which is taken under the provisions of this Article shall be deposited into the Bond Service Fund, after payment of the costs and the expenses of the proceedings resulting in the collection of such moneys and after payment of the fees, expenses, liabilities and advances which have been advanced or made by the Trustee, including legal fees, and all moneys which are on deposit in the various funds (except the Rebate Fund) which are established under the terms of the Resolution shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons who are entitled thereto of all installments of interest which are then due on the Bonds in the order of the maturity of the installments of such interest and, if the amount which is available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amount due on such installment, to the persons who are entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons who are entitled thereto of the unpaid principal of any of the Bonds that shall have become due (other than principal of Bonds with respect to the payment of which moneys are held pursuant to the provisions of the Resolution), in the order of their due dates, with interest on such bonds from the respective dates upon which they became due and, if the amount which is available shall not be sufficient to pay in full the Bonds which are due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons who are entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and the 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 which are due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared to be due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys which are available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and on such date, interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if paid in full.

Whenever the principal of, the redemption premium, if any, and the interest on all Bonds have been paid under the provisions of this Section and all fees, expenses, including legal fees, and charges of the Trustee have been paid, any balance which is remaining in the Bond Service Fund shall be paid to the Authority.

Section 1007. Remedies Vested in Trustee. All remedies and rights of action (including the right to file proof of claims) under this Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the owners of the outstanding Bonds.

Section 1008. Rights and Remedies of Bondholders. No owner of any Bond shall have any right to institute any suit, action or proceeding in any suit or at law for the enforcement of the provisions of the Resolution, for the execution of any trust thereof or for the appointment of a receiver or to enforce any other remedy hereunder, unless (1) a default has occurred of which an authorized officer of the Trustee has been notified as provided in the Resolution, (2) such default shall have become an Event of Default and the owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds which are then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers which were hereinbefore granted or to institute such action, suit or proceeding in its own name; (3) such Bondholders have provided the Trustee with indemnification reasonably satisfactory to the Trustee; and (4) the Trustee shall thereafter fail or shall refuse to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name. Such notification, request and offer of indemnification are hereby declared in every case (at the option of the Trustee) to be conditions precedent to the execution of the powers and the trusts of the Resolution and to any action or cause of action for the enforcement of the Resolution or for the appointment of a receiver or for any other right or remedy hereunder. No one whatsoever shall have any right in any manner whatsoever to affect, to disturb or to prejudice the lien of the Resolution by its, his, her or their action or to enforce any right or remedy hereunder except in the manner herein provided and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds which are then Outstanding. Nothing contained in this Resolution shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, redemption premium, if any, and the interest on any Bond at and after the maturity thereof or the redemption date set therefor, or the obligation of the Authority to pay the principal of, the redemption premium, if any, and the interest on each of the Bonds which are issued hereunder to the respective owners thereof at the time, at the place, from the sources and in the manner expressed in the Bonds.

Section 1009. Termination of Proceedings. If the Trustee shall have proceeded to enforce any right or remedy thereunder the terms of the Resolution by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then in every such case the Authority and the Trustee shall be restored to their former respective positions and rights hereunder and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 1010. Waivers of Defaults. The Trustee may in its discretion waive any Event of Default hereunder, and the consequences specified in Section 1002 and 1003, and rescind any declaration of maturity of principal and shall do so upon the written request of the owners of: (1) a majority in aggregate principal amount of all Bonds which are then Outstanding with respect to which an Event of Default in the payment of principal or interest exists; or (2) a majority in aggregate principal amount of all Bonds which are then Outstanding in the case of any other default; provided however, that there shall not be waived (a) any Event of Default with respect to the payment of the principal of any Bond at its maturity, date or the redemption date prior to maturity, or (b) any Event of Default with respect to the payment of the interest on any Bond, unless prior to such waiver or rescission, all arrears of principal (due otherwise than by declaration) and interest, with interest (to the extent permitted by law) at the rate borne by the Bonds with respect to which such default shall have occurred or overdue installments of interest and all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in

connection with such default, including legal fees, shall have been paid or provided for and, in case any such waiver or rescission or in case any proceedings taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 1011. Notice of Events of Defaults; Opportunity of the Authority to Cure Defaults. No Event of Default which is specified in Section 1001(c) hereof shall constitute an Event of Default hereunder until notice of such Event of Default shall be given by the Trustee or by the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds which are then Outstanding to the Authority, by registered or certified mail, and the Authority shall have had thirty (30) days after receipt of such notice to, correct such Event of Default or cause such Event of Default is not corrected and shall not have corrected such Event of Default or caused such Event of Default to be corrected within the applicable period; provided however, that if such Event of Default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default hereunder if corrective action which is designed to remedy such Event of Default is instituted by the Authority or the owner within the applicable period and diligently pursued until such Event of Default is corrected.

Section 1012. Rights of the County Following Event of Nonappropriation. Notwithstanding any provision of this Resolution to the contrary, from and after the occurrence of an Event of Nonappropriation and for so long as the County is not in default of its obligations under the County Guaranty, all remedies, rights and waivers under the Resolution shall be exercised, and all moneys obtained by the Authority or the Trustee from the exercise of remedies hereunder or from the operation of the Project by the Authority pursuant to the Underlying Lease shall be applied, by the Trustee exclusively at the written direction of the Authorized County Representative, without giving effect to any contrary instructions that may be given by the Authority, the Board or the Bondholders.

ARTICLE XI

TRUSTEE, PAYING AGENT AND REGISTRAR

Section 1101. Appointment of Trustee. [Name of Trustee], [Trustee location], New Jersey, is hereby appointed as the Trustee under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing 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 express terms and conditions set forth in the Resolution.

Section 1102. Appointment of Paying Agents and Registrar. (a) The Authority shall appoint one or more Paying Agents for the Bonds. Such Paying Agents shall be appointed pursuant to a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds, or shall be designated in a Certificate of Authority Officer, as the case may be, and the Authority may at any time or from time to time by Supplemental Resolution or by a Certificate of Authority officer appoint one or more other Paying Agents for such Bonds. Each Paying Agent shall be a bank, trust company, national banking association or other banking institution doing business and having an office in the State and having trust powers if there be such a bank, trust company, national banking association or other banking institution willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all the duties imposed upon it by the terms of the Resolution. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Resolution by executing and delivering a written acceptance thereof to the Authority and to the Trustee. The Trustee may be appointed and shall serve as a Paying Agent for the Bonds.

(b) The Authority shall appoint a Registrar for each Series of Bonds by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Bonds, or, by a Certificate of Authority officer as the case may be. Such Registrar shall be a bank, trust company national banking association or other banking institution doing business and having an office in the State, if there be such a bank, trust company, national banking association or other banking institution willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all of the duties which are imposed upon it by the terms of the Resolution. The Registrar shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Resolution by executing and delivering a written acceptance thereof to the Authority and to the Trustee. The Trustee or the Paying Agent may be appointed and may serve as a Registrar for the Bonds.

Section 1103. Responsibilities of Fiduciaries. The recitals of fact which are contained in the Resolution and in the Bonds shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bond which is issued thereunder or with respect to the security afforded by the terms of the Resolution, and no Fiduciary shall incur any responsibility in respect thereof. The Trustee or the Registrar, as the case may be, shall however, be responsible for the representation which is contained in its certificate of authentication which appears on the Bonds. No Fiduciary shall be under any responsibility or duty

with respect to the issuance of the Bonds for value or the application of the proceeds which are derived from the sale thereof except that the Trustee shall be responsible for such application to the extent that such proceeds are paid to the Trustee in accordance with the provisions of Section 314 hereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any monies paid 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 action or suit with respect to the terms of the Resolution or the Bonds, or to advance any of its own moneys, unless properly indemnified by the Authority. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or default. Unless expressly set forth herein, the Trustee shall not be required to ascertain or inquire as to the performance or the observance of any covenants to be performed or observed by the Authority hereunder or by the Authority or the Board under the terms of the Agreement.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been remedied) the Trustee shall exercise such of the rights and powers which are vested in it by the terms of the Resolution, and shall use the same degree of care and skill in the exercise of such powers as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Resolution which relates to actions which have been taken or which are to be taken by the Trustee or which relates to the evidence upon which the Trustee may rely shall be subject to the provisions of this Section 1103.

Notwithstanding any of the foregoing, the Trustee, at least annually and as often as may be reasonably requested by the Authority, shall be responsible for delivering a written report to the Authority which details, among other things (a) the Bonds, if any, which have been purchased or redeemed by it pursuant to the terms of Section 506 hereof, (b) the report of the Registrar stating any new Bonds which have been issued in lieu of or in substitution for Bonds pursuant to the terms of Section 305, Section 306, Section 310, Section 705 or Section 906 hereof, and (c) the balances as of said dates, together with investment income, if any, which has been earned thereon, which are on deposit in each of the funds of the Authority which have been established and created by Sections 401 and 501 hereof or which have been otherwise created and which are held by the Trustee pursuant to the terms thereof.

Section 1104. Property Held in Trust. All moneys and securities which are held by any Fiduciary at any time pursuant to the terms of the Resolution shall be and hereby are assigned, transferred and set over unto such Fiduciary in trust for the purpose and under the terms and conditions of the Resolution.

Section 1105. Deposit and Security of Funds. To the extent permitted by law, all moneys (not including securities) which are held by any Fiduciary pursuant to the terms of the Resolution may, subject to the provisions of this Section, and in accordance with the provisions of the Governmental Unit Deposit Protection Act, be deposited by it, on demand or time deposit, in its banking department or with such other banks, trust companies, national banking association or other banking institution each having its principal office in the State, as may be designated by the Authority and approved by the Trustee. No such moneys shall be deposited with any bank, trust company, national banking association or other banking institution other than the Trustee, in an

amount exceeding fifty per centum (50%) of the amount which an Authorized officer of such bank, trust company, national banking association or other banking institution shall certify to the Trustee and to the Authority as the combined capital and surplus of such bank, trust company, national banking association or other banking institution. Each Fiduciary shall allow and shall credit interest on any such moneys which are held by it at such rate as it customarily allows upon similar funds of similar size under similar conditions or as is required by law. Except to the extent otherwise provided herein, interest with respect to moneys or securities which are on deposit in any fund or account shall be credited in each case to the fund or account in which such moneys or securities are held.

Section 1106. Evidence Supporting Action. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document which it believes to be genuine and which it believes has 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 with respect to any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action under the Resolution, such fact or matter (unless other evidence with respect thereto is specifically prescribes herein) may be deemed to be conclusively proved and established by a Certificate of Authority Officer, an Authorized Board Representative, or other person, as the case may be, stating the same, and such certificate shall be full warrant for any action taken or suffered by any Fiduciary upon the faith thereof under the provisions of the Resolution; provided however, that in its discretion, a 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. Except as otherwise expressly provided herein, any request, order, notice or other direction which is required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Authority or the Board to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authority Officer or, in the name of the Board by an Authorized Board Representative.

Section 1107. Compensation. Unless otherwise provided for by the terms of a contract with the Fiduciary, the Authority shall pay reasonable compensation from time to time to each Fiduciary for all services rendered by it hereunder, and the Authority shall also reimburse any Fiduciary for all of its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents, and employees which are incurred in and about the performance of its powers and duties hereunder, and each Fiduciary shall have a first lien therefor on any and all funds and other property which shall at any time be held by it hereunder. The Authority shall indemnify and shall save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or default.

Section 1108. Certain Permitted Acts. Any Fiduciary may become the owner of or may deal in the Bonds as fully and with the same rights as it would have had if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or Directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not such committee shall represent

the Holders of a majority in principal amount of the Bonds which are then Outstanding. Notwithstanding any provision of the Resolution, nothing contained herein shall restrict any Fiduciary from entering into any contract, agreement or other relationship relating to the provision of banking, financial or other services to the Authority, the Board, or any agencies thereof.

Section 1109. Resignation of Fiduciary. The Fiduciary may at any time resign and be discharged of the duties created by the Resolution by giving not less than sixty (60) days prior written notice to the Authority 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 as provided in Section 1011, in which event such resignation shall take effect immediately on the appointment of such successor, or (ii) a successor shall not have been appointed as provided in Section 1111 on such date, in which event such resignation shall not take effect until a successor is appointed.

Section 1110. Removal of Fiduciary. Except during an Event of Default, the Trustee may be removed at any time by an instrument in writing, filed with the Trustee, and signed by an Authorized Representative of the Authority.

Section 1111. Appointment of Successor Fiduciary. (1) In case at any time the Fiduciary 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 Fiduciary, or of its property, shall be appointed, or if any public officer shall take charge or control of the Fiduciary, or of its property or affairs, a successor Fiduciary 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 Fiduciary within sixty (60) days, then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered, to such successor Fiduciary, notification thereof being given to the Authority and the predecessor Fiduciary. After such appointment of a successor Fiduciary, the Authority shall mail notice of any such appointment by it or the Bondholders to the Bondholders.

(2) If no appointment of a successor Fiduciary shall be made pursuant to the foregoing provisions of this Section 1111 within seventy-five (75) days after the Fiduciary shall have given to the Authority written notice as provided in Section 1109 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 Owner of any Bond (in any case) may apply to any court of competent jurisdiction to appoint a successor Fiduciary. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiduciary.

(3) Any Fiduciary appointed under the provisions of this Section 1111 as successor to the Fiduciary shall be a bank or trust company organized under the laws of any state or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$50,000,000 and authorized by law to perform all the duties imposed upon it by the Resolution.

Section 1112. Transfer of Rights and Property to Successor Fiduciary. Any successor Fiduciary which is appointed under the provisions of Section 1111 hereof shall execute, acknowledge and deliver to its predecessor Fiduciary, and also to the Authority, a written instrument accepting such appointment, and thereupon such successor fiduciary, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if named herein as such Fiduciary. The Fiduciary ceasing to act shall nevertheless, on the written request of the Authority or of the successor Fiduciary, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required to more fully and certainly vest and confirm in the successor Fiduciary all the right, title and interest of such predecessor Fiduciary in and to any property held by it under the terms of the Resolution. The predecessor Fiduciary shall pay over, assign and deliver to the successor Fiduciary any money or other property which is subject to the trusts and conditions herein set forth. Should any deed, conveyance or written instrument be required from the Authority by such successor Fiduciary to incur fully and certainly vest in and confirm to such successor Fiduciary any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and written instruments shall, upon request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any, such successor Fiduciary shall promptly notify the other Fiduciaries of its appointment as such Fiduciary.

Section 1113. 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 such Fiduciary may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be a bank, trust company, national banking association or other banking institution which is qualified to be a successor to such Fiduciary under the provisions of Section 1111 hereof, and which shall be authorized by law to perform all the duties imposed upon it by the terms of the Resolution) shall be the successor to such Fiduciary without the execution or filing of any paper, or the performance of any further act, deed or conveyance.

Section 1114. Adoption of Authentication. In case any of the Bonds which are contemplated to be issued under the terms of the Resolution shall have been authenticated but not delivered any successor Trustee or Registrar, as the case may be, may adopt the certificate of authentication of any predecessor Trustee or Registrar so authenticating such Bonds and may deliver such Bonds so authenticated. In any case where any Bonds shall have not been authenticated, any successor Trustee or Registrar may authenticate such Bonds in the name of the predecessor Trustee or Registrar, as the case may be, or in the name of the successor Trustee or Registrar, and in all such cases such certificate of authentication shall have the full force and effect which is provided in said Bonds or in the Resolution.

ARTICLE XII

MISCELLANEOUS

Section 1201. Defeasance. (1) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all Bonds, the principal of, redemption premium, if any, and interest due or to become due thereon, at times and in the manner stipulated therein and in the Resolution, and all County Guaranty Costs have been fully reimbursed to the County, then the pledge of any Revenues, and other moneys and securities which are pledged under the terms of the Resolution, and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon cease, terminate and become void and shall be discharged and satisfied. In such event, the Trustee shall cause an accounting to be prepared and filed with the Authority for such period or periods as shall be requested by the Authority and, 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 Trustee and any Paying Agent shall pay over or deliver to the Authority all moneys or securities which are held by them pursuant to the terms of the Resolution which are not required for the payment of the principal of, redemption premium, if any, and interest which is due or which is to become due on the Bonds. If the Authority, shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all Outstanding Bonds of a particular Series or maturity within a Series, the principal of, redemption premium, if any, and interest which is due or which is to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Authority to the holders of such Bonds shall thereupon cease, terminate and become void and shall be discharged and satisfied. For purposes of this Article XII, Bonds shall not be considered paid to the extent the County has not yet been fully reimbursed for all County Guaranty Costs (including, but not limited to, amounts payable as subrogee pursuant to Section 514 hereof).

(2) Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust shall be deemed to have been paid within the meaning and with the effect expressed in subparagraph (1) of this Section. All Outstanding Bonds of any Series or of any maturity within a Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subparagraph (1) of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee (in a form which is satisfactory to the Trustee) irrevocable written instructions to publish notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Obligations (which are not redeemable at the option of the issuer) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, which have been deposited with the Trustee at the same time shall be sufficient to pay when due the principal of, redemption premium, if any, and the interest which is due and which is to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days the Authority shall have given the Trustee (in a form which is satisfactory to the Trustee) irrevocable written instructions to mail, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by clause (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the terms of this Section and such notice

shall state such maturity or redemption date upon such which moneys are to be available for the payment of the principal of, redemption premium, if any, and interest on said Bonds or the extent that the moneys or the principal of and interest on the Investment Obligations referred to above are sufficient to provide for the defeasance of all Outstanding Bonds, any additional moneys which are generated or which are available may be paid over to the Authority by the Trustee and may be used by the Authority for any lawful purpose, free and clear of any trust, lien or pledge. Any deficiency in the amounts which are on deposit with the Trustee which are necessary, to accomplish a defeasance of the Bonds in accordance with the terms of this Section, shall be deposited promptly by the Authority with the Trustee for the purpose of accomplishing said defeasance.

Section 1202. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent or other instrument which the Resolution may require or may permit to be sold and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of the Resolution (except as otherwise expressly provided herein) if made in the following manner, but the Trustee may nevertheless in its sole discretion require further or other proof in cases where it deems the same to be desirable:

(a) The fact and date of the execution by any Bondholder or by his attorney of such instrument may be proved by the certificate (which need not be acknowledged or verified) of an officer of a bank, trust company, national banking association or other banking institution (which is satisfactory to the Trustee) or of any notary public or other officer who is authorized to take acknowledgements of deeds to be recorded in the state in which he purports to act, 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. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary; and

(b) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar. Any request or consent by the owner of any Bonds shall bind all future owners of such Bonds with respect to anything done or suffered to be done.

Section 1203. Execution of Payment Documents. Every requisition, certificate or request of the Authority which is to be delivered to or filed with the Trustee, under the provisions of the Resolution shall be signed by an Authority Officer.

Section 1204. Preservation and Inspection of Documents. All requisitions, requests, certificates, opinions and other documents which are received by the Trustee under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Accountant, any Bondholder and their agents and their representatives, any of whom may make copies thereof but any, such reports, certificates,

statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time which is at least six years after such date as the pledge of the Revenues created by the Resolution shall be discharged as provided in Section 1201 hereof.

Section 1205. Regulations Regarding Investment of Funds. Obligations which are purchased as an investment of moneys in any fund which has been established under the terms of the Resolution shall be deemed at all times to be a part of such fund, and, except as may be otherwise expressly provided in other Sections of the Resolution, the interest thereon and any profit arising on the sale thereof shall be credited to such fund, and any loss resulting from the sale thereof shall be charged to such fund. In computing the amount in any such fund for any purpose hereunder, obligations so purchased if due within one year after such date shall be valued at the face value (exclusive of accrued interest) or, if not due within one year after such date shall be valued at the lower of cost or market price thereof (exclusive of accrued interest) and may be so valued as of any time within four days prior to such date. The Trustee shall sell any obligations which are so purchased (at the best available price) whenever it shall be necessary to do so in order to provide moneys to make any withdrawal or payment from such fund, and the Trustee shall not be liable or responsible for any loss which results from any such investment which is made in accordance with the terms of the Resolution. For the purposes of any such investment, obligations shall be deemed to mature at the earliest date on which the issuer thereof is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 1206. Unclaimed Funds. Except as may be otherwise required by the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq., anything in the Resolution to the contrary notwithstanding, any moneys which are held by the Trustee or by any Paying Agent in trust for the payment of the principal of, redemption premium, if any, and interest on any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds shall become due and payable, such moneys shall, at the written request of the Authority, be repaid to the Authority by the Trustee or Paying Agent, as the case may be, as its absolute property and such moneys shall be free from the trusts created by the terms of the Resolution. The Fiduciary shall thereupon be released and discharged with respect to such moneys and the Bondholders shall look only to the Authority for the payment of such Bonds

Section 1207. Form of Bonds and Certificate of Authentication. Subject to the provisions of the Resolution, the forms of any Series of the Bonds, the certificate of authentication to be executed by the Trustee or the Registrar, as the case may be, and the provisions for registration to be endorsed thereon shall be, respectively, in substantially the forms set forth in Exhibit "A", with such omissions, insertions, endorsements and variations as to redemption or other provisions or as to recitals of fact as may be required by the circumstances and as may be required or permitted by the terms of the Resolution or as may be consistent with the terms of the Resolution and which are necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

Section 1208. Delegation. The Chairman and the Vice-Chairman of the Authority are hereby designated to be authorized representatives of the Authority, charged by this Bond Resolution with the responsibility for issuing the Initial Bonds and determining, among other

things, the amount of the Bonds to be issued (not to exceed \$9,500,000), the time of sale of the Bonds, the maturity or maturities of such Bonds and the provisions pertaining to redemption thereof and/or sinking funds established therefor, the rate or rates of interest for such Bonds (provided that without further approval, the net interest cost on the Bonds shall not exceed 6.50% per annum), and such other terms and conditions as may be necessary or related to the sale of the Initial Bonds, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits, and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution.

Section 1209. Notice of Adoption of Bond Resolution. A copy of this Resolution shall be filed for public inspection in the office of the Authority and in the office of the Clerk of the Board of County Commissioners of the County. The appropriate officials of the Authority are hereby authorized and directed to publish, or cause to be published, in a newspaper published or circulating in the County, a notice stating the fact and date of the adoption of this Bond Resolution and the places where this Bond Resolution has been filed for public inspection, and such further information as is required by the Act, N.J.S.A 40:37A-62.

Section 1210. Headings for Convenience Only. The descriptive headings herein are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 1211. Repeals. All resolutions and parts of resolutions, to the extent the same are inconsistent herewith, are hereby rescinded and repealed.

Section 1212. Effective Date. This Resolution shall take effect immediately upon adoption.

Exhibit “A”
Form of Bond

UNITED STATES OF AMERICA
COUNTY OF MONMOUTH, NEW JERSEY

\$ _____

No. R-__

MONMOUTH COUNTY IMPROVEMENT AUTHORITY
LEASE REVENUE BOND, SERIES 2023
(MONMOUTH COUNTY GUARANTEED) (MONMOUTH OCEAN EDUCATIONAL
SERVICES COMMISSION PROJECT)

<u>Date of</u> <u>Authentication</u>	<u>Dated</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Interest Rate</u> <u>Per Annum</u>
_____, 2023	_____, 2023	_____, 20__	_____%

MONMOUTH COUNTY IMPROVEMENT AUTHORITY (hereinafter called the “Authority”), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, hereby acknowledges itself indebted and for value received hereby promises to pay to _____, or registered assigns, the principal sum of _____ Thousand Dollars (\$ _____), 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 bond 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 on _____ 1, 20_____, and thereafter on the first days of _____ and _____.

This bond, as to principal and redemption premium, if any, when due, will be payable at the principal corporate trust office of _____, _____, New Jersey. Interest on this bond will be payable by check or bank draft and will be mailed to the registered owner hereof who shall appear on the registration books of the Authority which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the 15th days of _____ and _____. Payment of the principal of, redemption premium, if any, and interest on this 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 revenue bonds, each designated as “Lease Revenue Bonds, Series 2023 (Monmouth County Guaranteed) (Monmouth Ocean Educational Services Commission Project)” (each a “2023 Bond” and, collectively, the “2023 Bonds”) of the Authority, limited to the aggregate principal amount of \$_____, and authorized and issued under and pursuant to the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, approved January 18, 1960, and the acts amendatory thereof and supplemental thereto (hereinafter called the “Act”), and under and in accordance with a resolution of the Authority duly adopted on June 1, 2023 and entitled, “Resolution Authorizing the Issuance of Lease Revenue Bonds (Monmouth County Guaranteed) (Monmouth Ocean Educational Services Commission Project) of the Monmouth County Improvement Authority “ as amended and supplemented (hereinafter called the “Resolution”).

Copies of the Resolution are on file in the office of the Authority in Paterson, New Jersey and at the principal corporate trust office of _____, _____, _____, New Jersey ("Trustee"), as trustee under the Resolution. Capitalized terms, not otherwise defined, shall have the meanings ascribed thereto in the Resolution.

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 of New Jersey or by the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this 2023 Bond exist, have happened and have been performed and that said issue of 2023 Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by said Constitution or statutes.

This 2023 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 herein has been duly executed by the Trustee upon original issuance and thereafter by the Registrar (hereinafter defined).

IN WITNESS WHEREOF, MONMOUTH COUNTY IMPROVEMENT AUTHORITY has caused this 2023 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 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.

**MONMOUTH COUNTY IMPROVEMENT
AUTHORITY**

By: _____
WILLIAM C. BARHAM, Chairman

ATTEST:

ROBERT NICASTRO, Secretary

[SEAL]

CERTIFICATE OF AUTHENTICATION

This 2023 Bond is one of the issue of 2023 Bonds described in the within-mentioned Resolution, such 2023 Bonds being designated as the “Monmouth County Improvement Authority, Lease Revenue Bonds, Series 2023 (Monmouth County Guaranteed) (Monmouth Ocean Educational Services Commission Project)”. Accompanying this 2023 Bond is the complete text of the opinion of Gibbons P.C. Newark, New Jersey, Bond Counsel, a signed original of which is on file with the undersigned and delivered and dated on the date of the original delivery of and payment for the 2023 Bonds.

_____, _____, as Trustee

By: _____
Authorized Representative

GUARANTY OF COUNTY OF MONMOUTH, NEW JERSEY

The payment of the principal of and interest on the within 2023 Bond to the extent considered outstanding under the resolution of the Authority authorizing the 2023 Bonds is hereby fully and unconditionally guaranteed by the County of Monmouth, New Jersey (“County”), and the County is unconditionally liable for the payment, when due, of the principal of and interest on this 2023 Bond in accordance with its terms.

IN WITNESS WHEREOF, the County has caused this Guaranty to be executed by the manual or facsimile signature of its Commissioner Director.

COUNTY OF MONMOUTH, NEW JERSEY

By: _____
_____, **Commissioner Director**

GENERAL

This 2023 Bond is a limited and special obligation of the Authority and is payable only from the Revenues of the Authority, as described in the Resolution.

Pursuant to the terms of the Resolution, the Authority may hereafter issue additional Bonds (hereinafter called "Additional Bonds") for the purposes, in the amounts and on the conditions set forth in the Resolution. All 2023 Bonds which are issued and which are to be issued under the terms of the Resolution, including all Additional Bonds, are and will be equally secured by the pledge of the funds and Revenues provided in the Resolution except as otherwise expressly provided in or pursuant to the terms of the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and any modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the 2023 Bonds, the funds or Revenues 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 2023 Bonds with respect thereto, the terms and conditions upon which the 2023 Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority and of the Trustee.

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 Revenues 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 2023 Bonds upon making provision for the payment thereof on the terms and conditions set forth in the Resolution.

This 2023 Bond is transferable, as provided in the Resolution, only upon the registration books of the Authority which are kept for that purpose at the principal corporate trust office of _____, _____, New Jersey ("Registrar"), as registrar under the Resolution, or its successor as Registrar, duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the registered owner or by such duly authorized attorney, and thereupon the Authority shall issue in the name of the transferee a new registered 2023 Bond or 2023 Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered 2023 Bond as provided in the Resolution, upon payment of the charges therein prescribed. The Authority, the Trustee, the Registrar and any Paying Agent of the Authority may treat and consider the person in whose name this 2023 Bond is registered as the holder and absolute owner of this 2023 Bond for the purpose of receiving payment of the principal of, redemption premium, if any, and interest due thereon and for all other purposes whatsoever.

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THIS 2023 Bond SHALL BE LIABLE PERSONALLY ON THE 2023 Bonds BY REASON OF THE ISSUANCE THEREOF.

THE 2023 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY COUNTY OR ANY MUNICIPALITY (EXCEPT TO THE LIMITED EXTENT UNDER THE COUNTY GUARANTY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY COUNTY (EXCEPT TO THE LIMITED EXTENT UNDER THE COUNTY GUARANTY) OR ANY MUNICIPALITY, EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY HAS NO TAXING POWER.

OPTIONAL REDEMPTION

The 2023 Bonds maturing on and after _____, 20____ are subject to redemption prior to maturity, at the option of the Authority, upon direction of the Board, on or after _____, 20____ as a whole or in part on any date in such order of maturities as the Board 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 the 2023 Bonds to be redeemed, together with interest accrued to the redemption date, upon notice as provided in the Resolution.

NOTICE OF REDEMPTION

Notice of redemption shall be mailed, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the Registered Owner of every 2023 Bond of which all or a portion is to be redeemed, at his last address, if any, appearing on the registration books of the Authority. Failure of a Registered Owner to receive such notice shall not affect the validity of any proceeding for redemption of the 2023 Bonds. Such notice shall specify (i) the maturities of the 2023 Bonds to be redeemed, (ii) the redemption date and the place or places where amounts which are due and payable upon such redemption will be payable, (iii) if less than all of the 2023 Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the 2023 Bonds to be redeemed, (iv) in the case of a 2023 Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed, (v) that on the redemption date there shall become due and payable with respect to each 2023 Bond or portion thereof to be redeemed the redemption price thereof, and (vi) that from and after the redemption date interest on such 2023 Bond or portion thereof to be redeemed shall cease to accrue and be payable.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ [PLEASE PRINT OR TYPE NAME AND ADDRESS OF ASSIGNEE] the within 2023 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, as Attorney, to transfer the within 2023 Bond on the registration books of The Monmouth 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 bond in ever particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

RESOLUTION NO. 23-41

A RESOLUTION OF THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE, COUNTY GUARANTY AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT, ALL IN CONNECTION WITH THE ISSUANCE AND SALE OF THE AUTHORITY'S LEASE REVENUE BONDS, SERIES 2023 (MONMOUTH COUNTY GUARANTEED) (MONMOUTH OCEAN EDUCATIONAL SERVICES COMMISSION PROJECT); APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT, APPROVING THE DISTRIBUTION THEREOF AND FURTHER AUTHORIZING THE EXECUTION OF A FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH; APPOINTING A TRUSTEE, BOND REGISTRAR AND PAYING AGENT; AND AUTHORIZING THE AUTHORIZED OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS.

Motion made by:

WHEREAS, The Monmouth County Improvement Authority (the "Authority") is authorized to issue its bonds pursuant to the provisions of the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented, and other applicable provisions of law; and

WHEREAS, the Authority adopted its Lease Revenue Bond Resolution (Monmouth Ocean Educational Services Commission Project) on June 1, 2023 (the "Bond Resolution"), authorizing the issuance of its Lease Revenue Bonds, Series 2023 (Monmouth County Guaranteed) (Monmouth Ocean Educational Services Commission Project) (the "Bonds"); and

WHEREAS, the payment of principal of and interest when due on the Bonds will be guaranteed by the County of Monmouth (the "County") pursuant to a County Guaranty Agreement; and

WHEREAS, the Authority is now desirous of authorizing the sale of the Bonds in the aggregate principal amount of not to exceed \$17,500,000; and

WHEREAS, there have been prepared and submitted to the Authority forms of:

(a) a draft Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), attached hereto as Exhibit A, to be used in connection with the marketing of the Bonds;

(b) the Contract of Purchase (the "Contract of Purchase"), attached hereto as Exhibit B, providing the determination of certain terms of the Bonds and for the sale of the Bonds to Raymond James & Associates, Inc. (the "Underwriter");

(c) the form of Guaranty Agreement between the Authority, the trustee for the Bonds and the County (the “County Guaranty Agreement”), attached hereto as Exhibit C, providing for the guaranty of the payment of the principal of and interest on the Bonds when due by the County;

(d) the form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), attached hereto as Exhibit D, to be used to demonstrate compliance with Rule 15c2-12 of the Securities and Exchange Commission; and

WHEREAS, the Authority is now desirous of appointing the Trustee, Paying Agent and Bond Registrar under the Bond Resolution for the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY, AS FOLLOWS:

SECTION 1. That the Contract of Purchase, in substantially the form presented to this meeting, be and the same is hereby approved, and the Bonds shall be sold to the Underwriter at a purchase price of not less than ninety-seven percent (97%) of the aggregate principal amount of the Bonds, which Bonds shall mature, bear interest at the rates not to exceed six percent (6%) per annum and be subject to redemption as shall be set forth in Exhibit I to the Contract of Purchase. The Underwriter shall receive an underwriting fee of not in excess of \$6.00 per \$1,000 principal amount of Bonds issued. The Chairman and Vice Chairwoman (the “Authorized Officers”) of the Authority are each hereby authorized and directed, upon the finalization of such terms in accordance with the parameters established in the Bond Resolution, to approve such terms and to execute the Contract of Purchase, with such additions, deletions or modifications as such Authorized Officer shall approve, and to deliver the same to the Underwriter, such approval to be conclusively evidenced by the execution and delivery thereof by either of the Authorized Officers; provided, however, that the authority to execute the Contract of Purchase as set forth herein shall only be effective until 5:00 p.m., New York time, on December 31, 2023.

SECTION 2. That the draft Preliminary Official Statement, in the form presented to this meeting, be and the same is hereby approved. The distribution and use of the Preliminary Official Statement in connection with the marketing of the Bonds is hereby approved. The Underwriters are hereby authorized and directed to prepare a final Official Statement relating to the Bonds with such changes, insertions and omissions to the Preliminary Official Statement as may be approved by an Authorized Officer.

SECTION 3. That the County Guaranty Agreement, in substantially the form presented to this meeting, be and the same are hereby approved, and an Authorized Officer is hereby authorized and directed to enter into the County Guaranty Agreement, with such additions, deletions or modifications as such Authorized Officer shall approve, and thereupon to cause the County Guaranty Agreement to be delivered to the County, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. That the Continuing Disclosure Agreement, in substantially the form presented to this meeting, be and the same is hereby approved, and an Authorized Officer is hereby authorized and directed, upon the finalization of the terms therein, to approve

such terms and to execute the Continuing Disclosure Agreement, with such additions, deletions or modifications thereto as such Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. U.S. Bank National Association, Edison, New Jersey, is hereby appointed to act as Trustee, Paying Agent and NotBond Registrar under the Bond Resolution.

SECTION 6. That any Authorized Officer, the Secretary of the Authority and any other representative or agent of the Authority are hereby authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the sale, issuance and delivery of the Bonds and all related transactions contemplated by this resolution.

SECTION 7. All resolutions or proceedings, or parts thereof, in conflict with the provisions of this resolution are to the extent of such conflict hereby repealed.

SECTION 8. This resolution shall become effective in accordance with applicable law.

Seconded by:

Ayes:

Nays:

Abstentions:

Absent:

Adopted: June 1, 2023

I hereby certify the attached to be a true copy of a Resolution adopted by the Monmouth County Improvement Authority at a meeting held on June 1, 2023

Robert Nicasro, Secretary

RESOLUTION 2023-42
AUTHORIZING PAYMENT OF BILLS

Commissioner Hinds offered the following Resolution and moved its adoption:

WHEREAS, the Monmouth County Improvement Authority has incurred the following expenses in the normal course of its Authority business; and

WHEREAS, payments to the vendors listed below, and in the amounts set forth are lawfully due to said vendors and are listed herein pursuant to the invoices/vouchers properly executed and reviewed by the “Authority”; and

WHEREAS, the services rendered, or the material supplied, as the case may be, has been lawfully received and accepted by the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Monmouth County Improvement Authority that the following bills be and are hereby approved for payment, and that the Chairman, Vice Chairman, or duly authorized persons be and are hereby directed and authorized to sign checks in these amounts and to forward same to the listed vendors.

<u>VENDORS</u>	<u>AMOUNT</u>
NW Financial Group LLC	\$1,181.25 (March 2023)
Collins, Vella and Casello	\$4,883.18 (1/27/23 through 5/9/23)
Asbury Park Press	\$35.20
Asbury Park Press	\$30.80

Seconded by Commissioner Iantosca and adopted by the following roll call vote:

AYES: Commissioners Hinds, Iantosca and Melnick and Chairman Barham.


NAYS: 0

ABSTAIN 0

ABSENT: Commissioner Nicastro

CERTIFICATION

I hereby certify the above to be a true copy of a
Resolution adopted by the Monmouth County
Improvement Authority at a meeting held on
June 1, 2023.



Geraldine Elias, Secretary to the Authority