

BURLINGTON COUNTY BRIDGE COMMISSION
SPECIAL COMMISSION MEETING
MEETING MINUTES
November 4, 2019

Commissioner Singleton called the meeting to order. The Compliance Statement was read by the Commission Secretary:

“This meeting is to be conducted in accordance with notice requirements of P.L. 1975, CH. 231. A ‘Notice of Meeting’ was posted in a public place on October 30, 2019 at the entrance to the Administration Building, Headquarters of this Commission, with copies of such notice being delivered to the Camden *Courier Post* and *Burlington County Times* for publication and posted on the Burlington County Bridge Commission Website.”

Commissioners Present: Chairman John B. Comegno II (*via phone conference*)
Commissioner Troy E. Singleton

Others Present: Joseph Andl, Executive Director
Christine J. Nociti, Chief Financial Officer
Kathleen M. Wiseman, Secretary/Office Mgr/Mgr of Records
Anthony T. Drollas Jr., Solicitor
Elizabeth Verna, Chief of Staff

EXECUTIVE DIRECTOR’S REPORT

Executive Director Andl asked the Commission to consider the following resolutions.

RESOLUTION NO. 2019-63

**RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION
AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS (2018
COUNTY LEASING PROGRAM), SERIES 2019.**

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BE IT RESOLVED by the Burlington County Bridge Commission as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

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

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

2018 County Leasing Program shall mean, collectively, the Equipment acquired and installed or to be acquired and installed on behalf of the County and the Improvements constructed and reconstructed or to be constructed and reconstructed on behalf of the County with the proceeds of the Series 2019 Bonds.

Acceptance Certificate shall mean the certificate substantially in the form as set forth in Exhibit C to the Equipment Lease.

Account or Accounts shall mean, as the case may be, each or all of the accounts established and created under Article V hereof.

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

Act shall mean the Self-Liquidating Bridges Act, constituting Chapter 17 of the Laws of 1934 of the State (N.J.S.A. 27:19-26, et seq.), as amended and supplemented from time to time.

Additional Rent shall mean all amounts payable by the County to the Commission as "Additional Rent" under the Leases.

Authorized Commission Representative shall mean the Chairman, Vice Chairman, Treasurer, Executive Director or Treasurer or any other person or persons authorized to act on behalf of the Commission by a written certificate signed on behalf of the Commission by the Chairman or Vice Chairman of the Commission containing the specimen signature of each such person.

Authorized Denominations shall mean \$5,000 or any integral multiple of \$5,000.

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

Authorized County Representative shall mean any person or persons authorized to act on behalf of the County by a written certificate which, in the case of a Municipality or County, such certificate shall be signed by the Mayor of the Municipality, in the case of the County, such certificate shall be signed by the Director of the Board of Chosen Freeholders and in the case of a First District, such certificate shall be signed by the Chairman of the Fire District, which forms of certificates are set forth as Exhibit F to the Equipment Lease and Exhibit D to the Improvements Lease, respectively, and incorporated by reference herein.

Authorizing Instrument shall mean the instrument adopted by the County approving and authorizing the execution and delivery of the Leases which shall be a resolution pledging the full faith and credit of the County for the repayment of its obligations under the Equipment Lease and Improvement Lease.

Basic Rent shall mean (i) the sum of money necessary to amortize Debt Service on any Series of Bonds and allocated to the County and payable by the County on each Lease Payment Date and, with respect to the Series 2019 Bonds, shall mean the sum set forth in Exhibit A to the Equipment Lease and in Exhibit B to the Improvements Lease and as described in the respective Lease, and (ii) the sum of money required to pay the Redemption Price, if any, to the extent required to redeem the Bonds pursuant to Article IV hereof.

Bond or Bonds shall mean the Outstanding Bonds of the Commission issued pursuant to Section 201 hereof, including the Series 2019 Bonds and Refunding Bonds, if any.

Bond Counsel shall mean such lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Commission.

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

Bond Resolution shall mean this resolution adopted by the Commission as the same may be amended, modified or supplemented in accordance with the provisions hereof.

Bond Year means, with respect to the Series 2019 Bonds, the twelve (12) month period ending on the day that is selected by the Commission. The first and last Bond Year may be short periods. If no day is selected by the Commission before the earlier of the final maturity date of the Series 2019 Bonds or the date that is five (5) years after the date of original issuance, Bond Years end on each anniversary of the date of original issuance and on the final maturity date of the Series 2019 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Resolution pursuant to which such Series of Refunding Bonds is issued.

Bondholder or **Holder of Bonds** or **Holder** shall mean any person who shall be the registered owner of any Bond or Bonds.

Business Day shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Bond Registrar, the Commission or any Paying Agent is legally authorized to close.

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

Commission shall mean the Burlington County Bridge Commission, a public body corporate and politic organized and existing under the Act and created pursuant to a resolution of the Board of Chosen Freeholders of Burlington County adopted on October 22, 1948, and any successor to its duties and functions.

Commission Administrative Expenses shall mean any and all expenses of the Commission and its agents, professionals and employees incurred or to be incurred by or on behalf of the Commission in the administration of its responsibilities under this Bond Resolution and the Leases, including, but not limited to, (i) the Initial Commission Financing Fee, (ii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the Equipment or the Improvements or the compelling of the full and punctual

performance of this Bond Resolution and the Leases in accordance with the terms hereof and thereof, (iii) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, Fiduciaries, dissemination agents, and others, and (iv) any 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 connection with the performance of their respective fiduciary responsibilities under this Bond Resolution and the Leases, all to the extent not capitalized pursuant to the requirements of this Bond Resolution, which Commission Administrative Expenses shall be paid as Additional Rent by the County.

Continuing Disclosure Agreement shall mean that certain Continuing Disclosure Agreement between the County and the Trustee, as dissemination agent, dated the date of issuance and delivery of the Bonds, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

Cost or Costs shall have the respective meaning as set forth in the Equipment Lease or the Improvements Lease, as applicable.

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 Commission) which shall be selected by the Commission, which opinion shall be satisfactory in form and content to the Commission and, if such opinion is required to be delivered to the Trustee, which shall be satisfactory in form and content to the Trustee.

County shall mean the County of Burlington, New Jersey, a public body corporate and politic of the State.

County Account(s) shall mean each of the Account or Accounts created in the Revenue Fund, the Project Fund, the Proceeds Fund and the Debt Service Fund for the County into which moneys, Revenues, Proceeds, Bond proceeds and investment earnings, as applicable, allocable to the County, shall be deposited pursuant to Article V hereof.

Debt Service for any period shall mean, as of any date of calculation with respect to any Series of Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the Debt Service Fund, and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of any Series of Bonds, whichever is later. Such interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be

Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

Debt Service Fund shall mean the Debt Service Fund created and established in Section 502(5) hereof.

Debt Service Requirement with respect to the next Interest Payment Date for any Series of Bonds shall mean, (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date plus that portion of the Principal Installment or Installments which would accrue to such date if such Principal Installment or Installments shall be deemed to accrue in the manner provided in clause (ii) of the definition of "Debt Service" set forth in this Section 101, and (ii) in the case of an Interest Payment Date on which both interest and a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date plus the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

Default Interest shall have the meaning given to such term in Section 308 hereof.

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

Delegation Resolution shall mean (i) in the case of the Series 2019 Bonds, the Bond Resolution, and (ii) in the case of any Series of Refunding Bonds, any resolution of the Commission hereafter adopted pursuant to which the power to determine certain details of such Series of Refunding Bonds is delegated to an authorized officer of the Commission.

DTC shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for any Series of Bonds.

Equipment or Item(s) of Equipment shall mean the capital equipment described in Exhibit B annexed to the Equipment Lease purchased and acquired with the proceeds of the Series 2019 Bonds, including any item of capital equipment substituted or added pursuant to Section 8.1(b) of the Equipment Lease and described in Exhibit G annexed thereto.

Equipment Lease shall mean, with respect to the Series 2019 Bonds, that certain Lease and Agreement or Agreements, as applicable, by and between the Commission and the County for the acquisition and installation of Items of Equipment, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions hereof and the Equipment Lease.

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

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

Fiduciary or Fiduciaries shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent, if any, or any or all of them, as may be appropriate.

Fiscal Year shall mean the twelve (12) month fiscal period of the County or the Commission.

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

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

Improvements shall mean the infrastructure improvements and facilities described in Exhibit A annexed to the Improvements Lease constructed and reconstructed with the proceeds of the Series 2019 Bonds.

Improvements Lease shall mean with respect to the Series 2019 Bonds, that certain Lease and Agreement or Agreements, as applicable, by and between the Commission and the County for the construction and reconstruction of the Improvements, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions hereof and the Improvements Lease.

Initial Commission Financing Fee shall mean the initial financing fee of the Commission for each Series of Bonds, which shall be equal to 0.0833% of the par amount of the Bonds.

Interest Payment Date shall mean, with respect to the Series 2019 Bonds, the dates that shall be established in the Series Certificate pertaining thereto, and such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a series of Bonds, if any. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

Investment Securities shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of Commission funds.

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

(2) Interests in an investment company or investment trust (a "Government Money Market Mutual Fund"): (a) which is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and operated in accordance with 17 C.F.R. 270.2a-7, (b) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) hereof (a "Qualified Portfolio"), and (c) which is rated by a nationally recognized statistical rating organization;

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

(4) Bonds or other obligations of the Commission or bonds or other obligations of school districts of which the district of the Commission is a part;

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

(6) Interests in an investment pool (a "Local Government Investment Pool"): (a) which is managed in accordance with 17 C.F.R. 270.2a-7, (b) which is rated in the highest category by a nationally recognized statistical rating organization, (c) which is limited to a Qualified Portfolio, (d) which is in compliance with the rules adopted by the New Jersey Local Finance Board, (e) which does not permit investments in instruments that are subject to high price volatility with changing market conditions, cannot readily be expected, at the time of interest rate adjustment, to have a market price value that approximates their par value, or utilize an index that does not support a stable net asset value; and (f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of an entity (a "Qualified Entity") which is a national or State bank located within the State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to N.J.S.A. 49:3-56 and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to N.J.S.A. 52:18A-90.4;

(8) Agreements for the repurchase of fully collateralized securities if: (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) hereof, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than thirty (30) days, (d) the underlying securities are purchased through a public depository as defined in N.J.S.A. 17:9-41, and (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposits in a public depository pursuant to N.J.S.A. 17:9-44.

As of the date of adoption of this resolution, certain additional restrictions apply to investments and deposits of Commission funds under the laws of the State, including the following:

(a) Investments and deposits shall be made pursuant to a cash management plan to be approved annually by the Commission pursuant to N.J.S.A. 40A:5-14;

(b) The registered principal of any security brokerage firm selling securities to the Commission shall be provided with, and shall sign an acknowledgment that the principal has seen and reviewed the Commission's cash management plan;

(c) When an investment in bonds maturing in more than one year is authorized, the maturity of these bonds shall approximate the prospective use of the funds invested;

(d) Any investment instruments in which the security is not physically held by the Commission shall be covered by a third party custodial agreement which shall provide for the designation of such instruments in the name of the Commission and prevent unauthorized use of such investments;

(e) Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the Commission or a third party custodian prior to or upon the release of the Commission's funds; and

(f) Any investments not purchased and redeemed directly from the issuer, Government Money Market Mutual Fund, Local Government Investment Pool, or the State of New Jersey Cash Management Fund shall be purchased and redeemed through the use of a Qualified Entity.

Lease or **Leases** shall mean, collectively, the Equipment Lease and the Improvements Lease with the County.

Lease Payment shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County

upon demand pursuant to Section 3.1(a) and (b) of the Equipment Lease and Section 5.1(a) and (b) of the Improvements Lease, respectively.

Lease Payment Date shall mean, with respect to the Series 2019 Bonds, such dates as shall be established in the Leases, which dates shall not be later than the first day of the month immediately preceding each Interest Payment Date and Principal Installment Date, as applicable, and such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Bonds, if any. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

Lease Term shall mean the period during which the Leases are in effect as specified in Section 2.2 of the Equipment Lease and Section 3.2 of the Improvements Lease, respectively.

Letter of Representations shall mean the Blanket Issuer Letter of Representations executed by the Commission and acknowledged by DTC.

Month shall mean a calendar month.

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

Notes shall mean a Series 2019 Bond sold as a note with an annual payment of interest and a bullet maturity.

Operating Fund shall mean the Operating Fund created and established under Section 502(3) of this Bond Resolution.

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

- (i) Bonds canceled by the Trustee at or prior to such date;
- (ii) Bonds (or portions of Bonds) for the payment of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, together with interest to accrue thereon to the date of maturity or redemption date, shall be held in an irrevocable trust under this Bond Resolution and set aside for such payment or redemption (whether at or prior to the maturity); provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as in Article IV hereof;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 1206 hereof; and

(iv) Bonds deemed to have been paid as provided in subsections 2 or 3 of Section 1301 hereof.

County shall mean the County, which executed Leases with the Commission for the purposes of acquiring the Equipment or constructing the Improvements with the proceeds of the Series 2019 Bonds, all of which are situated in the County of Burlington, New Jersey.

Participating Underwriter shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

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

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

Pledged Property shall mean (i) the Revenues, (ii) the Funds and Accounts established hereunder (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts, (iii) the Commission's right, title and interest in and to the Items of Equipment, the Improvements and the Projects, including any Proceeds and moneys received from the sale thereof and in and to any of the foregoing, and (iv) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of this Bond Resolution.

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

Principal Installment Date shall mean any date on which Principal Installment on any Series of Bonds shall become due and payable by the Commission and, with respect to the Series 2019 Bonds, the dates set forth in the Series Certificate pertaining thereto on which any Principal Installment shall become due and payable by the Commission, or

such other date as set forth in a Supplemental Resolution authorizing a Series of Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

Proceeds shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to any Item of Equipment or Project, remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as a County elects to provide self-insurance under Section 5.3 of the Equipment Lease and Section 6.4 of the Improvements Lease, respectively, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

Proceeds Fund shall mean the Proceeds Fund created and established in Section 502(4) under this Bond Resolution.

Project shall have the meaning set forth in the Leases.

Project Fund shall mean the Project Fund created and established pursuant to Section 502(1) hereof.

Rebate Fund shall mean the Rebate Fund created and established in Section 502(6) under this Bond Resolution.

Record Date shall mean, with respect to the Series 2019 Bonds, the fifteenth (15th) day next preceding any Interest Payment Date (whether or not a Business Day) or such other dates as set forth in a Supplemental Resolution authorizing a Series of Bonds or in the Series Certificate relating thereto.

Redemption Price shall mean, with respect to any Bond, the principal amount thereof plus the applicable redemption premium thereon, if any, payable upon redemption thereof pursuant to such Bond or this Bond Resolution.

Refunding Bonds shall mean the Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 205 hereof, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 1206 hereof.

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

Rent, Rental(s) or Rental Payment shall mean the sum of Basic Rent and Additional Rent described in the Leases with the County for a particular Series of Bonds.

Revenue Fund shall mean the Revenue Fund created and established in Section 502(2) hereof.

Revenues shall mean (i) all amounts, including Basic Rent, received by the Commission under the Leases, and (ii) any other amounts received from any other source by the Commission as security for the payment of a particular Series of Bonds but shall exclude any moneys deposited by the County in the Project Fund in accordance with the provisions of Sections 503(2)(b).

Series shall mean all of the Bonds authenticated and delivered upon original issuance and pursuant to this Bond Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III of this Bond Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

Series 2019 Bonds shall mean the Lease Revenue Bonds (2018 County Leasing Program), Series 2019 or Notes authenticated and delivered upon original issuance pursuant to Section 203 hereof.

Series Certificate shall have the meaning provided therefor in Section 202(1) of this Bond Resolution.

Sinking Fund Installment shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series which amount is established pursuant to clause (8) of paragraph (g) of subsection 1 of Section 202 and subsection 2 of Section 203 hereof.

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

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

State shall mean the State of New Jersey or any successor to its duties and functions.

Substitution Certificate shall mean the certificate executed by an Authorized County Representative pursuant to Section 8.1 of the Equipment Lease annexed as Exhibit G thereto.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of this Bond Resolution adopted by the Commission in accordance with Section 205 and Article XI hereof.

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

Trustee shall mean with respect to the Series 2019 Bonds and any Series of Bonds issued hereunder, TD Bank, National Association, and its successors and assigns and any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Bond Resolution or appointed Trustee pursuant to a Supplemental Resolution.

Yield shall mean the yield as calculated in the manner set forth in Section 148 of the Code, which calculation shall not be performed by the Trustee.

Section 102. Commission for this Bond Resolution. This Bond Resolution is adopted pursuant to the provisions of the Act.

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

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authorization of Bonds. 1. The Commission does hereby determine to acquire, construct and install or cause to be acquired, constructed and installed the 2018 County Leasing Program pursuant to and in accordance with the Act.

2. In accordance with the Act and pursuant to the provisions of this Bond Resolution, there is hereby authorized to be issued to acquire, construct or install or cause to be acquired, constructed or installed the 2018 County Leasing Program, Bonds of the Commission to be designated as "Lease Revenue Bonds (2018 County Leasing Program), Series 2019". The Bonds shall be direct and special obligations of the

Commission payable solely from and secured by the Pledged Property. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Bond Resolution is limited to the Bonds authorized pursuant to Section 203 hereof and Refunding Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. The Bonds may, if and when authorized by the Commission pursuant to this Bond Resolution and one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "Lease Revenue Bonds (2018 County Leasing Program), Series 2019", shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Commission shall determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

4. The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof and shall not create or constitute any indebtedness, liability or obligation of the State or any such political subdivision or be or constitute a pledge of the faith and credit of the State or any such political subdivision, except the Commission, and, pursuant to the Leases, the County.

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

(a) An opinion of Bond Counsel (dated the date the Bonds of such Series are initially issued) to the effect that, (i) the Commission has the right and the power under the Act, as amended to the date of such opinion, to adopt this Bond Resolution; this Bond Resolution has been duly and lawfully adopted by the Commission, is in full force and effect, is valid and binding upon the Commission and is enforceable in accordance with its terms and no other authorization for the adoption of this Bond Resolution is required; (ii) this Bond Resolution creates the valid pledge that it purports to create of the Pledged Property; and (iii) the Bonds of such Series are valid, binding, direct and special obligations of the Commission as provided in this Bond Resolution, enforceable in accordance with their terms and the terms of this Bond Resolution and entitled to the benefits of this Bond Resolution and of the Act as amended to the date of such opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such opinion and in accordance with this Bond Resolution; provided, that opinions as to enforceability may be limited as to bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy:

(b) A written order as to the delivery of such Bonds signed by an Authorized Commission Representative, which order shall (i) direct the application of the proceeds of such Bonds including the application to specific County Accounts; and (ii) set forth, the maturity schedule for the Bonds and the interest rates payable with respect thereto;

(c) A copy, duly certified by an Authorized Commission Representative, of this Bond Resolution;

(d) A fully executed copy of each of the Leases executed by the County;

(e) Duly certified copies of the County's Authorizing Instrument approving and authorizing the execution of the Leases along with duly certified copies of the authorization proceedings related thereto;

(f) In the case of a Series of Refunding Bonds, a copy of the Supplemental Resolution authorizing such Refunding Bonds, certified by an Authorized Commission Representative, which shall, among other provisions, specify, or delegate to an Authorized Commission Representative, the power to specify: (1) the authorized principal amount, designation and Series of such Bonds; (2) the purposes for which such Series of Bonds are being issued, which shall be for the purpose specified in Section 205 hereof; (3) the date, and the maturity date or dates, of the Bonds of such Series; (4) the interest rate or rates or the method of calculation of the interest rate or rates of the Bonds of such Series and the Interest Payment Dates therefor; (5) the denominations of, and the manner of dating (except as otherwise provided herein), numbering and lettering the Bonds of such Series, provided that such Bonds shall be in Authorized Denominations as authorized by such Supplemental Resolution; (6) the Paying Agent or Paying Agents and the place or places or methods of payment of the principal and Redemption Price, if any, of and interest on the Bonds of such Series; (7) the Redemption Price(s), if any, and, subject to Article IV hereof, the redemption terms for the Bonds of such Series; (8) the amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series; (9) if so determined by the Commission, provisions for the sale of the Bonds of such Series; (10) the amount, if any, to be deposited from the proceeds of such Series of Bonds in the County Account in the Debt Service Fund and provisions for the application thereof to the payment of all or a portion of the interest on such Series of Bonds or any other Series of Bonds; and (11) the form of the Bonds of such Series and of the Trustee's certificate of authentication, which form shall be substantially in the form set forth in Section 1401 hereof, with such variations, omissions and insertions as are required or permitted by this Bond Resolution;

(g) Such further documents, moneys and securities as are required by the provisions of Sections 203, 205 or 703 or Article XI hereof or of any Supplemental Resolution adopted pursuant to Article XI hereof;

(h) Except in the case of the initial Series of Bonds, a certificate of an Authorized Commission Representative stating that the Commission is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Bond Resolution;

(i) An opinion of counsel to the County (dated the date the Bonds of such Series are initially issued) to the effect that, pursuant to the Leases, Rental Payments of the County, when due, are a direct and general obligation of the County for which the full faith and credit of the County is thereby pledged and, to the extent Rental Payments are not otherwise provided, the County is required to levy *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County without limitation as to rate or amount for the payment, when due, of the Rental Payments;

(j) An opinion of Bond Counsel (given separately or in conjunction with another opinion) to the effect that each of the Leases between the Commission and the County constitutes a legal, valid and binding agreement between the parties enforceable in accordance with its terms, except such opinion may take an exception for Creditors' Rights Limitations;

(k) In the case of the Series 2019 Bonds and in the case of any Supplemental Resolution which delegates to an Authorized Commission Representative the power to specify the information set forth in subparagraph (g) above, a certificate of such Authorized Commission Representative dated the date of delivery of the Bonds upon original issuance which specifies and sets forth such information (the "Series Certificate"); and

(l) An opinion of Bond Counsel to the effect that the interest on such Series of Bonds is excludable from gross income for purposes of Federal income taxation under Section 103 of the Code.

2. All of the Bonds of each subseries of like maturity shall be identical in all respects, except as to denominations, numbers and letters. After the original issuance of the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 406 or 1206 hereof.

Section 203. The Series 2019 Bonds. 1. (a) Pursuant to the provisions of this Bond Resolution, a Series of Bonds entitled to the benefit, protection and security of the provisions hereof is hereby authorized to be issued in an aggregate principal amount not to exceed \$76,000,000.00. Such Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title, "Lease Revenue Bonds (2018 County Leasing Program), Series 2019".

(b) The Series 2019 Bonds shall be issued to (i) finance the Costs of the 2018 County Leasing Program for the County, (ii) make the required deposit of interest

accrued on the Series 2019 Bonds, if any, into the Debt Service Fund, and (iii) pay costs and expenses incurred by the Commission and the County in connection with the issuance and delivery of the Series 2019 Bonds.

(c) The Series 2019 Bonds shall be issued in fully registered form in Authorized Denominations. Unless the Commission shall otherwise direct the Bond Registrar, the Series 2019 Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter "R" and/or such other letter or letters as determined by the Trustee prefixed to the number. Subject to the provisions of this Bond Resolution, the form of the Series 2019 Bonds, and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401, 1402 and 1403, respectively, hereof.

(d) The proceeds of the Series 2019 Bonds, including accrued interest, shall be paid to the Trustee and applied in accordance with an order of the Commission simultaneously with the delivery thereof as follows:

(1) an amount equal to the interest accrued on the Series 2019 Bonds from their dated date to the date of their delivery to the initial purchasers thereof, if any, shall be deposited in the applicable County Account within the Debt Service Fund; and

(2) an amount for the payment of the costs of issuance, including the Initial Commission Financing Fee, shall be deposited in the Operating Fund and paid in accordance with Section 506 hereof; and

(3) the balance of the proceeds of the Series 2019 Bonds shall be deposited in the County Account in the Project Fund, which fund is created and established pursuant to Section 502 hereof.

2. The Series 2019 Bonds shall be dated, and shall bear interest from the dated date thereof (as shall be established in the Series Certificate), except as otherwise provided in Section 301 hereof. The Series 2019 Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable on the Interest Payment Dates at the respective rates per annum, set forth in the Series Certificate relating thereto; provided that (i) the aggregate principal amount of the Series 2019 Bonds shall not exceed \$76,000,000.00 (inclusive of original issue discount), (ii) the final maturity date shall not be later than December 31, 2044, (iii) the true interest cost of the Series 2019 Bonds shall not exceed six and twenty-five one hundredths percent (6.25%), (iv) the underwriter's discount for the Series 2019 Bonds shall not exceed \$6 per \$1,000 principal amount thereof (exclusive of counsel fees and expenses) and (v) the Redemption Price of any Series 2019 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2019 Bonds or a portion thereof to be redeemed, plus accrued interest to the date of redemption. The amount and due date of each Sinking Fund Installment, if any, for the Series 2019 Bonds shall be as

set forth in the Series Certificate awarding such Series 2019 Bonds to the initial purchasers thereof.

3. The principal or Redemption Price, if applicable, of the Series 2019 Bonds (other than book entry) shall be payable, upon presentation and surrender thereof, at the principal corporate trust office of TD Bank, National Association, as Paying Agent for the Series 2019 Bonds. The principal or Redemption Price, as applicable, of all Series 2019 Bonds shall also be payable on any Principal Installment Date at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Bond Resolution. Interest on the Series 2019 Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, on each Interest Payment Date, to the Registered Owners thereof as the same appear as of the Record Date on the books of the Commission maintained by the Trustee; provided, however, that a Registered Owner of \$1,000,000 or more in principal amount of Series 2019 Bonds shall be entitled, upon five (5) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds.

4. The Series 2019 Bonds shall be subject to redemption prior to their respective maturity dates as set forth in the Series Certificate in accordance with Article IV hereof.

5. Any Authorized Commission Representative is hereby authorized to determine the time and manner of sale of the Series 2019 Bonds, and to determine the details of and execute a contract of purchase or similar document (the "Purchase Contract") in connection with the sale of the Series 2019 Bonds. Any Authorized Commission Representative is hereby authorized to award the Series 2019 Bonds to the purchaser or purchasers thereof, such award to be evidenced by the execution of the Series Certificate described in paragraph 2 above. The Purchase Contract and the Series Certificate shall determine the terms and conditions relating to the sale of the Series 2019 Bonds, within the limitations set forth in paragraph 2 above, and may contain such other terms and conditions as shall be deemed necessary in connection with the sale of the Series 2019 Bonds. The Series Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following such sale and award as evidence of the terms and details of the sale of such Series 2019 Bonds.

6. The Financial Advisor to the Commission, the Commission's Bond Counsel and the Commission's investment bankers are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2019 Bonds. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the Series 2019 Bonds; provided, however, that the form and content of

such revised Preliminary Official Statement shall have been previously approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission, prior to the distribution thereof.

7. The Chairman or the Vice Chairman of the Commission are each hereby authorized to execute the final Official Statement and such officers, including the Chairman or the Vice Chairman, the Secretary, the Executive Director and any other Authorized Commission Representative, shall execute any closing documents which are required to be executed in connection with the delivery of the Bonds. Any actions which are not determined by this or any other resolution of the Commission duly adopted prior to the authentication and delivery of the Series 2019 Bonds shall be determined by an Authorized Commission Representative.

8. Any Authorized Commission Representative is hereby authorized to execute a commitment for bond insurance for the Series 2019 Bonds with a bond insurance company, provided that the Financial Advisor determines that the premium for the bond insurance will result in positive economic benefit.

9. Prior to delivery of any of the Series 2019 Bonds upon original issuance and notwithstanding anything to the contrary, any Authorized Commission Representative may, by execution of the Series Certificate evidencing same, modify or amend any of the terms or provisions of the Bond Resolution in any respect or for any purpose without any further action by the members of the Commission; provided, however, that such modifications or amendments shall be approved by the Commission's Chairman or Vice Chairman in consultation with the Commission's Bond Counsel.

10. The Chairman, Vice Chairman, Secretary, Executive Director, Treasurer and any other Authorized Commission Representative, be, and each of them hereby is, 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 transactions contemplated by the Bond Resolution, the Leases, the Preliminary Official Statement, the Official Statement and the Purchase Contract and for the authorization, sale and issuance of the Series 2019 Bonds. The execution by such officers of any such documents with such changes, insertions or omissions as shall be approved by the Commission's Chairman or Vice Chairman in consultation with the Commission's Bond Counsel shall be conclusive evidence of the approval of such changes, insertions or omissions and no further ratification or other actions by the Commission members shall be required with respect thereto.

Section 204. Book Entry System. With respect to each Series of Bonds for which the authorizing resolution or the Series Certificate so provides,

(a) Except as provided in subparagraph (c) of this Section 204 and Section 203(1)(c) hereof, the registered Holder of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. ("Cede") as nominee of DTC. With respect to

all Bonds for which Cede shall be the registered Holder, payment of semiannual interest on such Bonds shall be made by wire transfer of New York Clearing House or equivalent next day funds to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Commission kept by the Bond Registrar.

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

(c) (1) DTC may determine to discontinue providing its services with respect to any Series of Bonds at any time by giving written notice to the Commission and discharging its responsibilities with respect thereto under applicable law. Upon receipt of such notice, the Commission shall promptly deliver a copy of same to the Trustee.

(2) The Commission, (i) in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to any Series of Bonds, and (ii) shall terminate the services of DTC with respect to such Bonds upon receipt by the Commission and the Trustee of written notice from DTC to the effect that DTC has

received written notice from DTC Participants or indirect DTC Participants having interests, as shown in the records of DTC, of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Bonds so registered in the name of Cede to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Bonds; or (B) a continuation of the requirement that all such Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of such Bonds.

(3) Upon the termination of the services of DTC with respect to all or any portion of such Bonds pursuant to Section 204(c)(2)(i) or 204(c)(2)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to all or any portion of such Bonds pursuant to Section 204(c)(1) or Section 204(c)(2)(ii)(B) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Commission, is willing and able to undertake such functions upon reasonable and customary terms, such Bonds (or the applicable portion thereof) shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Bond Resolution. Upon the determination by any party authorized herein that such Bonds (or any portion thereof) shall no longer be limited to book entry form, the Commission shall immediately advise the Trustee in writing of the procedures for transfer of such Bonds from such book-entry form to a fully registered form.

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

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

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

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

A. Irrevocable written instructions to the Trustee, satisfactory to it, to give due notice of redemption of all or any portion of the Bonds, if any, to be redeemed on a redemption date specified in such instructions;

B. If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due publication of the notice provided for in Section 405 hereof to the Holders of the Bonds being refunded, except in the case where any Series of Bonds is not by its terms subject to redemption;

C. Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of those Bonds, if any, to be redeemed or the principal amount of those Bonds, if any, to be paid at maturity, together with accrued interest on such Bonds to the redemption or maturity date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocable in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Investment Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of subsection 2 of Section 1301 hereof, and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 and including a verification report to the same effect; and

D. Executed copies of amendments to the Leases with the County certified to by an Authorized Commission Representative as being in full force and effect or an opinion of Bond Counsel to the effect that amendment to the Leases with the County is not necessary, which amendments shall evidence that all Lease Payments derived from the County under the Leases and the amendments thereto shall be sufficient to pay Debt Service on all Outstanding Bonds.

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

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Obligation of Bonds; Medium of Payment; Form and Date; Letters and Numbers. 1. The Bonds shall be direct and special obligations of the Commission payable, with respect to principal or Redemption Price and interest, solely

from the Pledged Property, which under the Act and this Bond Resolution may be used for the payment of principal or Redemption Price of and interest on the Bonds of the Commission.

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

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

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

5. Bonds upon original issuance shall be dated as provided in this Bond Resolution. Refunding Bonds shall be dated as provided in a Supplemental Resolution. Principal of the Bonds shall be payable at maturity upon presentation and surrender thereof at the office of the Paying Agent. Bonds shall bear interest as provided herein, payable by check or bank draft, except as provided in Section 204 hereof, to registered owners of such Bonds as of the Record Date provided for such Bonds at their addresses on file with the Trustee who has been designated the Bond Registrar hereunder. After original issue, all Bonds exchanged or transferred shall bear an authentication date that shall be the date authenticated. Interest on Bonds shall accrue from the Interest Payment Date to which interest has been paid next preceding the authentication date unless (1) the date of authentication is also an Interest Payment Date to which interest has been paid, in which event such Bonds shall be dated and shall bear interest from the date of authentication, or (2) the date of authentication is prior to the first Interest Payment Date, in which event such Bonds shall bear interest from the original dated date of such Bonds; provided however that if, as shown on the records of the Trustee, interest on the Bonds of any Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

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

Section 303. Execution of Bonds. The Bonds shall be executed in the name of the Commission by the manual or facsimile signature of its Chairman or Vice Chairman

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

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

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

2. The Commission and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Commission as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price of and interest on such Bond and all such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such

Bond to the extent of the sum or sums so paid and neither the Commission nor any Fiduciary shall be affected by any notice to the contrary. The Commission agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without gross negligence or willful misconduct under this Bond Resolution, in so treating such Registered Owner.

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

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

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

Section 308. Payment of Interest on Bonds; Interest Rights Preserved. 1. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Bond is registered at the close of business on the Record Date.

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

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

Section 309. Cancellation and Destruction of Bonds. All Bonds paid, either at or before maturity, shall be delivered to the Trustee when such payment is made, and such Bonds shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Commission and the other executed certificate shall be retained by the Trustee.

ARTICLE IV

REDEMPTION OF BONDS

Section 401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Bond Resolution or a Supplemental Resolution shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms, in addition to the terms contained in this Article IV, as may be specified in the Delegation Resolution and the Series Certificate or a Supplemental Resolution authorizing a Series of Bonds. Except as may be otherwise provided in a Supplemental Resolution authorizing a Series of Bonds, any Series of Bonds may be redeemed in whole or in part on any date at the option of the Commission, with the consent of the County, in accordance with this Bond Resolution or a Supplemental Resolution; provided, however, if the Bonds of any Series are to be redeemed in part, such redemption shall be made in such order of maturity as selected by the Commission.

Section 402. Redemption at the Election or Direction of the Commission. In the case of any redemption of Bonds at the election or direction of the Commission, the Commission shall give written notice to the Trustee of its election or direction to so redeem, in accordance herewith, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Commission subject to any limitations with respect thereto contained in this Bond Resolution or in any Supplemental Resolution). Such notice shall be given at least sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount in cash or Investment Securities which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued thereon and

unpaid to the redemption date, all of the Bonds to be redeemed. The Commission shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

Section 403. Redemption Otherwise Than at the Commission's Election or Direction. Whenever by the terms of this Bond Resolution or any Supplemental Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Commission, the Trustee shall (i) select the Bonds or portions of Bonds to be redeemed, (ii) give the notice of redemption and (iii) pay out of moneys available therefor the Redemption Price thereof, plus interest accrued thereon and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV.

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

Section 405. Notice of Redemption. When the Trustee shall receive notice from the Commission of its election or direction to redeem Bonds pursuant to Section 402 hereof, and when redemption of Bonds is authorized or required pursuant to Section 403 hereof the Trustee shall give notice, in the name of the Commission, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the Redemption Price, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure to give notice by mail, or any defect in the notice to the registered owner of any Bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Bonds.

Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

Section 406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued thereon and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued thereon and unpaid to the redemption date. If there shall be called for redemption less than all of a Bond, the Commission shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, Bonds of like Series and maturity in any of the Authorized Denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. The Pledge Effected by this Bond Resolution and Security for the Bonds.

1. The Bonds are direct and special obligations of the Commission payable solely from the Pledged Property. There is hereby pledged and assigned as security for the payment of the principal of, redemption premium, if any, and interest on the Bonds in accordance with their terms and the provisions of this Bond Resolution, subject only to the provisions of this Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Bond Resolution, all of the Pledged Property.

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

3. Notwithstanding the above, the Commission hereby assigns its right to receive all Revenues, including all amounts to be received by the Commission from the County under the Leases and covenants and directs payment of all such amounts directly to the Trustee for the benefit of the Bondholders.

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

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

- (1) Project Fund which shall include County Accounts to be established therein, to be held by the Trustee,
- (2) Revenue Fund which shall include County Accounts to be established therein, to be held by the Trustee,
- (3) Operating Fund, to be held by the Trustee,
- (4) Proceeds Fund which shall include County Accounts to be established therein, to be held by the Trustee,
- (5) Debt Service Fund which shall include County Accounts to be established therein, to be held by the Trustee, and
- (6) Rebate Fund, to be held by the Trustee on behalf of the Commission.

The Trustee may designate on each Fund or Account established hereunder such number, letter or symbol as may be necessary to distinguish such Funds or Accounts from other funds and accounts of the Commission held by the Trustee.

Section 503. Project Fund. 1. (a) There shall be paid into the County Account established in the Project Fund (i) the amounts required to be so paid by the provisions of this Bond Resolution, including any proceeds from the issuance of the Bonds allocated to such County in accordance with Section 203(d) hereof, (ii) any Proceeds received with respect to (A) any Item of Equipment upon the election by the County to pursue Option A pursuant to Section 5.4(a) of the Equipment Lease, or (B) any Project upon the election by the County to pursue Option A pursuant to Section 6.5(a) of the Improvements Lease, and (iii) at the option of the Commission, any moneys received for or in connection with the Equipment or the Project of each such County by the Commission from any other source, unless required to be otherwise applied in accordance with this Bond Resolution.

(b) All amounts in the County Account in the Project Fund shall be applied in the following order and priority: (i) to the Cost of the Project, as applicable, (ii) transferred to the Operating Fund to pay Commission Administrative Expenses pursuant to Sections 503(2)(e) of this Bond Resolution, and (iii) to the extent not otherwise utilized, moneys in the County Account in the Project Fund shall be transferred to the County Account in the Debt Service Fund or Proceeds Fund and applied by the Trustee in accordance with subparagraphs (g) and (h) of Sections 503(2) and 503(3) hereof.

2. (a) With respect to a County Equipment Lease, the Trustee shall make payments from the County Account with respect to such Equipment Lease in the Project Fund for the Cost of Equipment in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this Section 503(2). Before any such payment shall be made, there shall be filed with the Commission and the Trustee: (i) a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit E to the Equipment Lease or, in the case of advance, progress or partial payments, Exhibit D to the Equipment Lease, signed by an Authorized County Representative and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), certifying in respect of each payment to be made (A) the requisition number, (B) the name and address of the person, firm or corporation to whom payment is due or has been made, (C) the amount to be paid, (D) the Item(s) of Equipment to which the requisition relates, and (E) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost and is a proper charge against the County Account with respect to the Equipment Lease in the Project Fund and has not been the basis of any previous withdrawal; and (ii) either (A) an Acceptance Certificate described in subparagraph (c) hereof in the case of payment in full of the Cost of any Item of Equipment against delivery thereof or (B) in the case of an advance, progress or partial payment pursuant to Section 2.5(g) of the Equipment Lease, a performance bond satisfying the requirements of Section 5.8 of the Equipment Lease. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method, arrange to make the payment required by such requisition.

(b) In the event the Cost of an Item of Equipment purchased by a County exceeds the amount therefor specified in Exhibit B or Exhibit G, as applicable, to the Equipment Lease, the Trustee shall make payments from the County Account with respect to the Equipment Lease in the Project Fund for the Cost thereof in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subparagraph. Before any such payment shall be made, there shall be filed with the Trustee and the Commission: (i) a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit E to the Equipment Lease or, in the case of advance, progress or partial payments, Exhibit D to the Equipment Lease, signed by an Authorized County Representative and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), certifying in respect of each payment to be made (A) the requisition number, (B) the name and address of the person, firm or corporation to whom payment is due or has been made, (C) the amount to be paid, (D) the Item(s) of Equipment to which the requisition relates, (E) the amount

originally specified in Exhibit B or Exhibit G, as applicable, to the Equipment Lease as the Cost of the Item(s) of Equipment, (F) the amount of money the County has forwarded to the Trustee on behalf of the Commission for deposit in the County's County Account with respect to the Equipment Lease in the Project Fund to fund the balance of the Cost of the Item of Equipment, (G) the check and a copy thereof evidencing such payment referred to in clause (F) above, and (H) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost and is a proper charge against the County Account in the Project Fund and has not been the basis of any previous withdrawal; (ii) a bank or certified check payable to the County Account in the Project Fund in the amount necessary to fund the balance of such Cost; and (iii) either (A) an Acceptance Certificate described in subparagraph (c) hereof in the case of payment in full of the Cost of any Item of Equipment against delivery thereof in the case of payment in full of the Cost of any Item of Equipment against delivery thereof, or (B) in the case of an advance, progress or partial payment made pursuant to Section 2.5(g) of the Equipment Lease, a performance bond satisfying the requirements of Section 5.8 of the Equipment Lease. Any such moneys deposited by the County pursuant to the provisions hereof shall not constitute Revenues or Pledged Property pledged for the security of the repayment of the Bonds. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method, arrange to make the payment required by such requisition.

(c) The completion of the acquisition and installation of all Items of Equipment shall be evidenced by Acceptance Certificate(s) for each Item of Equipment of an Authorized County Representative, approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld) pursuant to Section 2.3 of the Equipment Lease, which shall be filed with the Trustee and the Commission, certifying (i) that the acquisition and installation of all Items of Equipment has been completed substantially in accordance with the specifications applicable thereto and that such Item of Equipment is ready for use, (ii) the date of such completion, and (iii) the purchase price of such Item of Equipment. Notwithstanding the foregoing, such Acceptance Certificate shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being.

(d) Subject to the provisions of subparagraph (e) below, if subsequent to the filing of such Acceptance Certificate, it shall be determined by an Authorized County Representative and an Authorized Commission Representative that the amount of the portion of the Bond proceeds allocable to the Equipment specified in such Certificate as being required for the payment of any remaining part of the Cost are no longer so required, such fact shall be evidenced by a certificate or certificates of an Authorized County Representative and an Authorized Commission Representative, which Certificate shall be filed with the Commission and the Trustee certifying such fact and certifying that any amount shown therein is no longer required to purchase such Item of Equipment, such amount shall be transferred by the Trustee in accordance with the directions of the County and Commission for deposit in the County's County Account in the Debt Service

Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(2).

(e) At any time after the filing of such Acceptance Certificate, upon the delivery to the Trustee of written instructions of an Authorized Commission Representative, the Trustee shall transfer to the Operating Fund from the County Account with respect to the Equipment Lease in the Project Fund, moneys in an amount equal to the County's pro rata share of Commission Administrative Expenses as shall be determined by the Commission and evidenced in a certificate of an Authorized Commission Representative to be necessary or desirable to fund Commission Administrative Expenses for the Bond Year, such amounts to be applied to the purposes of such Operating Fund. Upon the filing of such Acceptance Certificate and the certificate of the Authorized Commission Representative, the balance of Bond proceeds in the County Account with respect to the Equipment Lease in the Project Fund in excess of the amount, if any, stated in such certificate and the amount to be transferred to the Operating Fund as set forth in the immediately preceding sentence, shall be transferred into the Debt Service Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(2), as applicable.

(f) Any damages or other moneys from any manufacturer or supplier of any Item of Equipment or its surety paid to the County pursuant to Section 2.6 of the Equipment Lease shall be paid to the Trustee for deposit in the County Account with respect to the Equipment Lease in the Project Fund (in accordance with written instructions from the Commission as directed in writing by the County) to the extent such funds are necessary to complete the acquisition of such Item of Equipment. Any moneys not necessary to complete the acquisition of such Item of Equipment, as stated in a certificate of an Authorized County Representative delivered to the Trustee, shall be transferred by the Trustee to the County Account in the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date, in accordance with Section 507(4) herein.

(g) Bond proceeds transferred from a County Account with respect to an Equipment Lease in the Project Fund to a County Account in the Debt Service Fund pursuant to this Section 503(2) shall be applied as a credit toward the Basic Rent obligations of the County as set forth in a certificate of an Authorized Commission Representative filed with the Trustee. The Lease Payment due from each such County on the next succeeding Lease Payment Date shall reflect the extent of the application of such amounts.

(h) Pursuant to the written direction of the Commission, Bond proceeds in the County Account in the Project Fund which are to be transferred to a County Account in the Debt Service Fund pursuant to subparagraph (g) above, but which cannot be completely applied to the payment of Debt Service on the Bonds attributable to such County during such Bond Year, shall be deposited in the County Account in the Proceeds Fund and shall be paid over to the County Account in the Debt Service Fund on each

Lease Payment Date and applied to the payment of Debt Service attributable to such County until all such amounts are exhausted; provided that any such amounts shall be invested subject to such Yield restrictions as shall be directed to the Trustee in writing by Bond Counsel.

3. (a) With respect to a County Improvements Lease, the Trustee shall make payments from the County Account with respect to such Improvements Lease in the Project Fund for the Costs of the Project in the amounts, at the times, in the manner, and on such other terms and conditions as are set forth in this Section 502(3). Before any such payment shall be made, there shall be filed with the Commission and the Trustee: (i) a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit C to the Improvements Lease, signed by an Authorized County Representative and by an Authorized Commission Representative (which approval shall not be unreasonably withheld), certifying in respect of each payment to be made (A) the requisition number, (B) the name and address of the person, firm, corporation or agency to whom payment is due or has been made, (C) the amount to be paid, (D) the Costs of the Project to which the requisition relates, (E) the Costs have been incurred by the County and are proper charges against such County Account in the Project Fund, are proper Costs of the Project for which such County Account was established and such Costs have not been previously paid, (F) that the County 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 pursuant to 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 County, that such lien, attachment or claim has been released or discharged, and (G) that such requisition contains no item which represents payment on account of any retained percentages which the County is at the date of such certificate entitled to retain. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method, arrange to make the payment required by such requisition.

(b) In the case of expenses which have been incurred by the County 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, builders 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 County Representative, attached to such requisition, certifying that such Authorized County Representative has made reasonable investigations and that, to the best of his or her knowledge, each such obligation has been properly incurred by the County, and that insofar as such obligation was incurred 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 applicable Project or that such materials, supplies or equipment were fabricated for the construction thereof.

(c) If any requisition which is filed with the Commission and the Trustee in accordance with the terms of Section 503(3) 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 payment with respect to such item shall be made, the following: (i) a certificate of an Authorized County Representative stating that such lands, easements, rights or interests are being acquired by the County and are necessary or useful and convenient for the construction or acquisition of the applicable Project, (ii) an opinion of counsel to the County stating that the County has the power to acquire such lands, easements, rights or interest, and that the County will have, upon the payment therefor, such right, title and interest as is or will be sufficient to provide the County with undisturbed possession, and (iii) an amendment to Exhibit A to the Improvements Lease identifying, with respect to the particular Project, the additional lands, easements, or rights or interests in or relating to lands which have been acquired by the County.

(d) At the time of substantial completion of the Project, the County shall file a Certificate of an Authorized County Representative (and approved by an Authorized Commission Representative) with the Commission and the Trustee and such Certificate shall state that the Project for which funds were deposited in the County Account in the Project Fund has been completed and that the sum stated in the certificate is sufficient to pay, and is required to be reserved in such County Account to pay, all items of Cost of the Project which, as of the date of such certificate, remain unpaid including an estimate of the amount of any such items which is not finally determined and all claims against the County arising out of the construction thereof. Subject to the provisions of subparagraph (e) below, upon receipt of such Certificate, the Trustee shall transfer the balance in such County Account in the Project Fund, in excess of the amount stated in the Certificate, in accordance with the directions of the County and the Commission for deposit in the County's County Account in the Debt Service Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(3).

(e) At any time following substantial completion of the Project and delivery of the Certificate required pursuant to subparagraph (d) of this Section 503(3), upon the delivery to the Trustee of written instructions of an Authorized Commission Representative, the Trustee shall transfer to the Operating Fund from the County Account with respect to the Improvements Lease in the Project Fund, money in an amount equal to County's pro rata share of the Commission Administrative Expenses as shall be determined by the Commission and evidenced in a certificate of an Authorized Commission Representative to be necessary or desirable to fund Commission Administrative Expenses for the Bond Year, such amounts to be applied to the purposes of such Operating Fund. Upon the filing of the certificate required pursuant to subparagraph (d) and the certificate of the Authorized Commission Representative, the balance of Bond proceeds in the County Account with respect to the Improvements Lease in the Project Fund in excess of the amount, if any, stated in such certificate and the amount to be transferred to the Operating Fund as set forth in the immediately preceding

sentence, shall be transferred into the Debt Service Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(3), as applicable.

(f) Any damages or other moneys from any contractor, subcontractor or surety paid to the County pursuant to Sections 4.4 and 6.4 of the Improvements Lease shall be paid to the Trustee for deposit in the County Account with respect to the Improvements Lease in the Project Fund (in accordance with written instructions from the Commission as directed in writing by the County) to the extent such funds are necessary to complete the construction of the Project. Any moneys not necessary to complete the construction of the Project, as stated in a certificate of an Authorized County Representative delivered to the Trustee, shall be transferred by the Trustee to the County Account in the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with Section 507(4) herein.

(g) Bond proceeds transferred from a County Account with respect to an Improvements Lease in the Project Fund to a County Account in the Debt Service Fund pursuant to this Section 503(3) shall be applied as a credit toward the Basic Rent obligations of such County as set forth in a certificate of an Authorized Commission Representative filed with the Trustee. The Lease Payment due from each such County on the next succeeding Lease Payment Date shall reflect the extent of the application of such amounts.

(h) Pursuant to the written direction of the Commission, Bond proceeds in a County Account in the Project Fund which are to be transferred to a County Account in the Debt Service Fund pursuant to subparagraph (g) above, but which cannot be completely applied to the payment of Debt Service on the Bonds attributable to the County during such Bond Year, shall be deposited in the County Account in the Proceeds Fund and shall be paid over to the County Account in the Debt Service Fund on each Lease Payment Date and applied to the payment of Debt Service attributable to such County until all such amounts are exhausted; provided that any such amounts shall be invested subject to such Yield restrictions as shall be directed to the Trustee in writing by Bond Counsel.

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

Section 505. Payments into Certain Funds. 1. As soon as practicable after the deposit of Revenues into the Revenue Fund, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows:

(a) Revenues consisting of Basic Rent payments made by the County, the amount of such payment being in accordance with Exhibit A (or Exhibit G, if applicable) attached to the Equipment Lease or Exhibit B to the Improvements Lease, shall be applied to the County Account in the Debt Service Fund in accordance with Section 508 hereof; and

2. Amounts payable to the Commission and to the County which constitute Additional Rent pursuant to Section 3.1(b) of the Equipment Lease and Section 5.1(b) of the Improvements Lease, shall first be deposited in the applicable County Accounts in the Revenue Fund, as directed by the Commission, and shall thereafter be immediately deposited in the Operating Fund by the Trustee upon receipt of such moneys by the Trustee from the County. The Trustee may rely conclusively upon Commission requests for Additional Rent under the Leases in determining the amount to be credited to the Operating Fund.

3. Revenues representing Proceeds shall be immediately credited in accordance with Sections 503(2)(f), 503(3)(f) and 507 hereof.

Section 506. Operating Fund. 1. Pursuant to an order of the Commission simultaneously delivered to the Trustee upon the original issuance of the Bonds, any Bond proceeds representing costs of issuance, including the Initial Commission Financing Fee, shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with paragraph 2 hereof.

2. Amounts deposited in the Operating Fund shall be paid out by the Trustee from time to time for costs of issuance, annual Trustee's fees, Commission Administrative Expenses, including expenses incurred by the Commission in the performance of an arbitrage rebate calculation, and any other items constituting Additional Rent upon requisition therefor submitted to the Trustee and signed by an Authorized Commission Representative or Authorized County Representative, as applicable, certifying: (i) the name of the person, firm or corporation to whom each such payment is due; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation in the stated amounts has been or will be incurred; and (iv) each obligation in the stated amounts has been or will be incurred by or on behalf of the Commission and the County or, with respect to the respective annual Trustee's fee, by the Trustee and that each item thereof is a proper charge against the Operating Fund and has not been previously paid.

Section 507. Proceeds Fund - County Account(s). 1. There shall be established a County Account for the County in the Proceeds Fund. Upon an election by the County or, as applicable, the Commission, to pursue Option B under Section 5.4(b) of the Equipment Lease or under Section 6.5(b) or 6.6(b) of the Improvements Lease, there shall be deposited in the County Account in the Proceeds Fund any Proceeds received with respect to an Item of Equipment or a Project, as applicable, as set forth in a certificate of an Authorized Commission Representative. Proceeds from any

performance bond provided pursuant to Section 5.8 of the Equipment Lease or Section 4.4 of the Improvements Lease, as applicable, shall also be deposited in the County Account in the Proceeds Fund as set forth in a certificate of an Authorized Commission Representative. Proceeds on deposit in the County Account in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Basic Rent owed by the County on each Lease Payment Date for the payment of the Debt Service on the Bonds allocated to such County by the transfer of such Proceeds to the County Account in the Debt Service Fund as set forth in a certificate of an Authorized Commission Representative filed with the Trustee and the Commission at the time of the deposit of the Proceeds into the County Account in the Proceeds Fund.

2. To the extent moneys in the County Account in the Debt Service Fund are sufficient to satisfy the amount of Basic Rent payments due and owing by the County for such Bond Year, any Proceeds which remain in the County Account in the Proceeds Fund shall be transferred thereafter into the County Account in the Debt Service Fund on each Lease Payment Date for the payment of Debt Service on the Bonds allocated to such County until such Proceeds are exhausted. The application of such Proceeds in accordance herewith shall be credited toward the Basic Rent payments due and owing from the County in any Bond Year. Any such Proceeds in the County Account in the Proceeds Fund shall be invested subject to such Yield restrictions as shall be directed to the Trustee in writing by Bond Counsel.

3. Pursuant to Sections 4.2, 8.2 and 9.1 of the Equipment Lease and at the written direction of the Commission, Revenues from the sale of Items of Equipment of the County (net of expenses incurred by the Commission) shall be deposited in the County Account for such County in the Proceeds Fund and shall be applied by the Trustee in the following order: first, to the payment of the County's Basic Rent obligation under the Equipment Lease. Amounts remaining in the County Account in the Proceeds Fund after application thereof in accordance herewith shall be applied by the Trustee as a credit toward any other Additional Rent payments of the County due and owing under the Equipment Lease prior to the final Debt Service payment of the Bonds; such Proceeds shall be invested subject to such Yield restrictions as shall be directed to the Trustee in writing by Bond Counsel.

4. Revenues paid to the Trustee pursuant to Section 2.6 of the Equipment Lease, Sections 4.4 and 6.4 of the Improvements Lease and Sections 503(2)(f) and 503(3)(f) hereof shall be transferred by the Trustee, upon receipt of a Certificate of an Authorized Commission Representative stating the amount of money to be so transferred from the County Account in the Project Fund to the County Account in the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations pursuant to Sections 507(1) and (2) hereof.

5. (a) All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned on any moneys or investments in the Project Fund, Debt Service Fund and

Proceeds Fund and in any County Accounts established within such Funds which shall be allocated and paid to the County by the Trustee in accordance with Section 603(2) of this Bond Resolution, shall be transferred to the County Account in the Proceeds Fund and held therein by the Trustee and applied in accordance with the provisions hereof.

(b) To the extent there are moneys from such investment earnings remaining in the County Account in the Proceeds Fund prior to the last Basic Rent payment, then such moneys shall be credited to the last Basic Rent payment to be made by the County by the Trustee in accordance with the written directions of the Commission.

(c) Notwithstanding the provisions of this paragraph 5, the amount derived from such investment earnings (and any interest thereon) in all the County Accounts in the Proceeds Fund shall be Yield restricted in accordance with written investment instructions of the Commission delivered to the Trustee.

Section 508. Debt Service Fund. 1. (a) Pursuant to Section 505(l)(a) hereof, (i) Revenues representing Basic Rent payments deposited in the Revenue Fund on any Lease Payment Date shall be credited as soon as practicable after the deposit thereof to the County Account in the Debt Service Fund. The Trustee shall determine (A) whether the amounts on deposit in the County Account in the Debt Service Fund in the aggregate are sufficient to meet the Debt Service Requirement on such Series of Bonds for the next succeeding Interest Payment Date and Principal Installment Date, as applicable, and (B) which, if any, County has not made a Basic Rent payment or any portion thereof.

(b) In the event such amounts in the Debt Service Fund are insufficient to meet such Debt Service Requirement, the Trustee shall give written notice thereof to the Commission, the Treasurer of the County, or its designee, and the County whose County Account in the Debt Service Fund is deficient of such deficiency no later than 3:00 p.m. of the second Business Day after such Lease Payment Date, which notice shall state the amount of such deficiency as of the close of business on such date, as applicable, the identity of the defaulting County and shall also state that such deficiency must be cured no later than fifteen (15) days before the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The notice to the Treasurer of the County, or its designee, and the Commission shall also include the amount of the Interest Payment and Principal Installment, as applicable, due and payable and the amount required to be paid by the County to cure such deficiency to enable the Trustee to make a Debt Service payment on the Bonds on the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The receipt of any such notice by the Treasurer of the County, or its designee, shall be acknowledged in writing by the County to the Trustee within two (2) Business Days after receipt thereof. If the County has not cured the deficiency in Basic Rent payments fifteen (15) days prior to the applicable Interest Payment Date and Principal Installment Date, as applicable, the Trustee shall so notify the County and the County shall pay to the Trustee, not later than two (2) Business Days prior to such Interest Payment Date and Principal Installment Date, as applicable, any and all amounts required to pay the Debt Service on the Bonds.

(c) The Trustee shall promptly notify the Commission and the County of any delinquent Basic Rent payments received by the Trustee at any time prior to an Interest Payment Date and Principal Installment Date, as applicable, which notice shall be sent by the Trustee to the Commission and the County not later than one (1) Business Day after receipt of any such delinquent payments.

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

4. The amount, if any, deposited in the County Account in the Debt Service Fund representing accrued interest on the proceeds of each Series of Bonds allocated to the County shall be set aside in such Fund and applied, in accordance with written instructions of the Commission delivered to the Trustee prior to the authentication of each such Series of Bonds, to the payment of accrued interest on the Bonds of such Series (or Refunding Bonds issued to refund such Bonds) as the same becomes due and payable.

5. Amounts on deposit in the Debt Service Fund for the payment of any Sinking Fund Installment shall be applied by the Trustee to the purchase or redemption of Bonds of the Series and maturity for such Sinking Fund Bonds of the Series and maturity for which the Sinking Fund Installment was established in an amount not exceeding that necessary to complete the retirement of the balance of such Sinking Fund Installment. Not more than sixty (60) days nor less than thirty (30) days preceding the due date of any such Sinking Fund Installment, any amount then on deposit in the Debt Service Fund may, and if so directed by an Authorized Commission Representative shall, be applied by the Trustee to the purchase of Bonds of the Series and maturity for which each Sinking Fund Installment was established in an amount not exceeding that which is necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. All purchases of any Bonds pursuant to this paragraph shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest thereon. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of and accrued interest paid on any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Installment Date for the purpose of calculating the amount of such Fund. Not less than thirty (30) days preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 405 hereof, on such due date Bonds of the Series and maturity for which such Sinking Fund

Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment Date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Fund to the appropriate Paying Agent, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agent to effect such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by the Commission.

6. In the event of the refunding of any Bonds, the Trustee shall, if an Authorized Commission Representative so directs in writing, withdraw from the County Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts in such Fund or Account established under this Bond Resolution as set forth in such written direction; provided that in no event may the Authorized Commission Representative direct such withdrawal unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to paragraph 2 of Section 1301, and (ii) the amount remaining in the Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to paragraph 1 of this Section 508. In the event of such refunding, an Authorized Commission Representative may also direct the Trustee in writing to withdraw from the Debt Service Fund all; provided, however, that in no event may the Authorized Commission Representative direct any such withdrawal unless items (i) and (ii) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account mandated by and held under this Bond Resolution.

Section 509. Rebate Fund. Moneys on deposit in the Rebate Fund, including earnings on or gain realized on any moneys or investments therein, shall be held by the Trustee in trust and applied and invested as provided by instructions to the Commission contained in the tax certificate delivered pursuant to Section 820 hereof.

(a) The Commission shall determine or shall cause to be determined the amounts necessary to equal the rebate requirement and shall cause the County to deposit such amount in the Rebate Fund according to its obligation, and the Commission shall transfer or cause to be transferred by the Trustee at such times and to such person as required by Section 148 of the Code an amount equal to the rebate requirement from the Rebate Fund. To the extent the amount on deposit in the Rebate Fund is not sufficient to meet the rebate requirement, the amount shall be immediately paid by the County according to its obligation, to the Trustee for deposit in the Rebate Fund. Notwithstanding anything contained in this Bond Resolution to the contrary, the Trustee shall not be responsible or liable for any loss, liability, or expense incurred to the extent incurred as a result of the failure of the County to fulfill its obligation with respect to the payment of the rebate requirement.

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

(c) Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Investment Securities, as directed by an Authorized Commission Representative, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Fund and in accordance with Section 603 hereof. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

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

Section 510. Trustee No Obligation for Rebate. Notwithstanding the provisions of Section 509 hereof, the Trustee shall have no responsibility for the calculation, collection or payment pursuant to the Code of any rebate to the United States of America of arbitrage earnings on proceeds of Bonds issued pursuant to this Bond Resolution. The Commission agrees to perform or cause to be performed such calculation, collection and payment in accordance with the requirements of the Code, and hereby indemnifies and holds harmless the Trustee from any liability arising out of the nonperformance by the Commission of such requirements under the Code.

ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Depositories. 1. All moneys held by the Trustee and the Commission under the provisions of this Bond Resolution shall constitute trust funds and the Commission may deposit such moneys with the Trustee or any one of the Fiduciaries in trust for the Commission and the County. All moneys deposited under the provisions of this Bond Resolution with the Trustee shall be held in trust and applied only in accordance with the provisions of this Bond Resolution, and each of the Funds and Accounts established by this Bond Resolution shall be a trust fund for the purpose thereof.

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

certify to the Commission and the Trustee as to the capital stock and surplus of such Fiduciary.

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

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

3. All moneys deposited with the Trustee and each Fiduciary shall be credited to the particular Fund or Account, including any County Account, to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in Section 603 hereof, the moneys credited to each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee and each Fiduciary.

Section 603. Investment of Certain Funds. 1. Moneys held in the Revenue Fund or the Debt Service Fund, including the County Accounts established therein, shall be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities, which Investment Securities shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Project Fund, the Operating Fund and the Proceeds Fund may be invested and reinvested in Investment Securities which mature not later than such times

as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Rebate Fund, if any, shall be invested and reinvested in accordance with the written instructions received from any Authorized Commission Representative. The Trustee shall make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Commission Representative. In making any investment in any Investment Securities with moneys in any Fund established under this Bond Resolution, the Commission may instruct the Trustee or any Fiduciary in writing to combine such moneys in any other Fund, permitted hereunder, but solely for purposes of making such investment in such Investment Securities.

2. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned on any moneys or investments in the Project Fund, Debt Service Fund and Proceeds Fund and any County Account established within such Funds shall be held for the benefit of the County in such Funds and shall be paid into the County Account in the Proceeds Fund on a periodic basis at least quarterly or as otherwise shall be directed by the Commission and applied pursuant to Section 507(5) hereof. The Trustee shall annually notify the County and the Commission in writing of such application of such interest to the County Account in the Proceeds Fund.

3. In the absence of written investment direction from an Authorized Commission Representative, the Trustee may invest moneys which the Commission has failed to direct in money market funds customarily invested in by the Trustee.

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

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

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

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

Account, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account, subject to any transfers authorized hereunder.

In computing the amount in any Fund or Account created under the provisions of this Bond Resolution for any purpose provided in this Bond Resolution, obligations purchased as an investment of moneys therein shall be valued at the lesser of cost or market value thereof.

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

The Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided above.

ARTICLE VII

LEASES WITH COUNTY

Section 701. Terms and Conditions for Lease. The Commission shall lease the Equipment and the Improvements to the County and shall enter into Leases with the County, in the manner, on the terms and conditions and upon submission of the documents required by this Article VII.

Section 702. Form of Lease. The Leases shall be substantially in the respective forms set forth as Exhibits A and B hereto, with such revisions therein as shall be approved by the Commission.

Section 703. Delivery of Documents in Connection with Leases. Prior to or at the execution and delivery of the Leases by the County and the closing on each Series of Bonds, the Commission and the Trustee shall have received the following documents from the County:

(i) an opinion of counsel or bond counsel for the County (as approved by Bond Counsel to the Commission) to the effect that the Leases were duly authorized by the County and are valid and binding obligations of the County;

(ii) counterparts of each Lease executed by the County;

(iii) copies of the Authorizing Instruments adopted by the governing body of the County authorizing the execution and delivery of the Leases and related applicable matters, certified by an Authorized County Representative or the Clerk or Secretary of the County;

(iv) evidence satisfactory to Bond Counsel to the Commission that the Basic Rent and Additional Rent payments under the Leases, assuming the Basic Rent and Additional Rent attributable to the Leases are timely paid by the County, are sufficient to pay Debt Service on each Series of Bonds, Commission Administrative Expenses and all costs of the 2018 County Leasing Program, respectively; and

(v) such other certificates, documents, opinions and information as the Commission may reasonably require in connection with the execution, delivery and implementation of the Leases and the issuance of such Series of Bonds.

All opinions and certificates required under this Section 703 shall be dated the closing date of such Series of Bonds and all such opinions shall be addressed to the Commission, the County and the Trustee.

Section 704. Default Under Leases. The Trustee shall by 3:00 p.m. of the second Business Day after a Lease Payment Date, immediately notify the Commission and the County of the Trustee's failure to receive a Basic Rent payment from the County and of any other event of default under the Leases known to the Trustee pursuant to Section 508 hereof.

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

Section 705. The Trustee's Obligations. 1. Subject to the provisions of Article IX and Section 1003 hereof, the Trustee shall reasonably assist and cooperate with the Commission in the enforcement of all terms and conditions of the Leases with the County, including (without limitation) the prompt payment of all Basic Rent and Additional Rent, and all other amounts due to the Trustee thereunder, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the County under the Leases and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Commission and the Holders under or with respect to each Lease; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Commission) from settling a default under the Leases on such terms as the Trustee shall determine to be in the best interests of the Commission and the Holders.

Section 706. Termination of Leases. Upon the payment in full by the County of all amounts due under the Leases, the Trustee shall, at the written direction of the Commission, undertake such actions as shall be required to effectuate the provisions of Article VIII of the Equipment Lease and Article V of the Improvements Lease, including (without limitation) the execution of all relevant documents in connection with such actions.

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

ARTICLE VIII

PARTICULAR COVENANTS OF THE COMMISSION

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

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

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

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

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

Section 805. Power to Issue Bonds and Pledge Pledged Property. The Commission is duly authorized under all applicable laws to create and issue the Bonds, to adopt this Bond Resolution and to pledge the Pledged Property purported to be subjected to the lien of this Bond Resolution in the manner and to the extent provided in this Bond Resolution. Except to the extent otherwise provided in this Bond Resolution, the Pledged Property so pledged is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with the pledge and assignment created by this Bond Resolution, and all action on the part of the Commission to that end has been and will be duly and validly taken. The Bonds and the provisions of this Bond Resolution are and will be the valid and legally binding obligations of the Commission. The Commission shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property under this Bond Resolution and all the rights of the Bondholders under this Bond Resolution against all claims and demands of all persons whomsoever.

Section 806. Creation of Liens. The Commission shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Commission or by Fiduciaries under this Bond Resolution, and shall not create or cause to be created any lien or charge on the Pledged Property; provided, however, that nothing contained in this Bond Resolution shall prevent the Commission from issuing, if and to the extent permitted by law, evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in this Bond Resolution shall be discharged and satisfied as provided in Section 1301 hereof.

Section 807. Accounts and Reports. 1. The Commission shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, and each Fund or Account established under this Bond Resolution. All books and papers of the Commission shall, subject to the terms thereof, at all times be subject to the inspection of the Trustee, the County and the Holders of the Bonds or their representatives duly authorized in writing.

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

3. The Commission shall annually, within one hundred twenty (120) days after the close of its Fiscal Year, file or cause to be filed with the Trustee and the County, and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate and including the following statements in reasonable detail: (i) a statement of assets and liabilities as of the end of such Fiscal Year; and (ii) a statement of revenues and expenses of the Commission for such Fiscal Year. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, the Commission is in default with respect to any of the covenants, agreements or conditions on its part contained in this Bond Resolution, and if so, the nature of such default.

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

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

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

Section 809. The Leases. The Commission shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Fund held by the Trustee all amounts, if any, payable to it pursuant to the Leases. The Commission shall provide the Trustee and the County with a certified copy of all requests for Additional Rent under the Leases. The Commission shall enforce or cause to be enforced all of the provisions of the Leases. Subject to the provisions of Section 815 hereof, the Commission will not consent or agree to or permit any amendment, change or modification to the Leases which would adversely affect the rights or security of Bondholders. Copies of the Leases certified by an Authorized Commission Representative shall be filed with the Trustee, and copies of any amendment thereto certified by an Authorized Commission Representative shall be filed with the Trustee.

Section 810. Power to Determine and Collect Rentals. The Commission has, and will have as long as any Bonds are Outstanding hereunder, good right and lawful power to establish and collect or cause to be established and collected the Rentals.

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

- (a) an amount equal to the Debt Service on the Bonds for such Fiscal Year;
- and
- (b) all other charges or liens whatsoever payable out of Revenues during such Fiscal Year, including, but not limited to, Additional Rent.

Section 812. Acquisition, Construction and Installation of Equipment and Improvements and its Operation and Maintenance. 1. The Commission shall acquire, construct and install or cause to be acquired, constructed and installed each Item of

Equipment and the Improvements with due diligence and in a sound and economical manner.

2. The Commission shall at all times cause the County to use the Equipment and the Improvements properly and in an efficient and economical manner, consistent with good business practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the leasing of the Equipment and the Projects may be properly and advantageously conducted.

Section 813. Maintenance of Insurance. 1. The Commission shall at all times cause the County (for the benefit of the Commission) to maintain such insurance as shall be required by the respective provisions of the Leases.

2. The Commission shall also maintain any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Bondholders.

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

4. The Commission shall file with the Trustee annually, within 100 days after the close of each calendar year, a certificate of an Authorized Commission Representative setting forth a description in reasonable detail of the insurance then in effect by the County with respect to the Equipment and the Improvements and that the Commission has complied in all respects with the requirements of this Section.

Section 814. Application of Insurance Proceeds. The Proceeds of any insurance, including the Proceeds of any self-insurance fund, or condemnation award paid on account of any damage or destruction to the Equipment or the Projects or any portion thereof (other than any business interruption loss insurance) shall be applied as set forth in Section 5.4 of the Equipment Lease and Sections 6.5 and 6.6 of the Improvements Lease, as applicable, and Sections 503(2)(f), 503(3)(f), 505(3) and 507 hereof.

Section 815. Enforcement of Leases; Amendments. The Commission shall enforce the provisions of the Leases and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Bondholders and the County. The Leases may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of Outstanding Bonds without the prior written consent of (i) the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of

each Series so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made under the Leases or extend the time of payment thereof. The Leases may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds, but with the consent of the County, to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity therein, to correct or supplement any provisions contained in the Leases which may be defective or inconsistent with any other provisions contained in the Leases or to provide other changes which will not adversely affect the interest of such Holders, provided that any such changes shall not cause the respective Lease Payments thereunder to be insufficient to pay Debt Service on all Outstanding Bonds. Notwithstanding the above, amendments to the Equipment Lease to add, delete or substitute Equipment and to effectuate amendments to Exhibits B and G thereto resulting therefrom pursuant to Section 8.1 of the Equipment Lease may be accomplished with the prior written consent of the Commission but without the consent of the County and the Trustee, written or otherwise. Subsequent to the execution by the Commission of any amendment to the Leases, a copy thereof certified by an Authorized Commission Representative shall be filed with the Trustee and the County.

Section 816. Termination of the Leases. In the event the County is unable to pay when due the Rental Payments to be paid under the respective Leases or is unable to observe and perform any covenant or agreement on its part to be observed or performed under the respective Leases, the Commission upon written request of either the Trustee or the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, shall, to the extent permitted by law, exercise its right to accelerate the respective Leases and exercise remedies pursuant to Article 7 of the Equipment Lease and Article 8 of the Improvements Lease, respectively.

Section 817. General. 1. Upon the date of authentication and delivery of any Series of Bonds, all conditions, acts and things required by law and this Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds shall exist, have happened and have been performed and the issue of such Series of Bonds, together with all other indebtedness of the Commission, shall comply in all respects with the applicable laws of the State.

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

Section 818. Tax Covenant. 1. The Commission covenants to maintain the exclusion from gross income for Federal income tax purposes of interest on the Bonds which are issued as Tax Exempt Obligations, to the extent that Bond Counsel has rendered an opinion to the effect that, subject to the conditions and qualifications contained in the Leases, interest on the Bonds is excludable from gross income for Federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the Commission will, among other things, comply with the instructions as to compliance with rebate contained in the tax certificate delivered by the Commission as of the date of, and with respect to, the first issuance and delivery of the Bonds, as a source of guidance for achieving compliance with the Code. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as is necessary in order to maintain the exclusion from gross income for Federal income tax purposes of interest on each of the Bonds, the covenants contained in this Section 820 shall survive the payment or discharge thereof pursuant to Section 1301 of this Bond Resolution.

2. The Commission hereby particularly covenants and agrees with the Holders of the Bonds which are issued as Tax Exempt Obligations that (a) no part of the proceeds which are derived from the sale of any Series of the Bonds which are issued as Tax-Exempt Obligations shall (i) constitute private activity bonds under Section 141 of the Code, or (ii) be used directly or indirectly to acquire any "investment property", as such term is defined in the Code, or any securities or obligations the acquisition of which would cause any such Bond to be an "arbitrage bond", as such term is defined in Section 148 of the Code (an "Arbitrage Bond"), and (b) it will not take, and shall to the extent reasonably possible prohibit all other persons from taking, any actions which, if taken, would cause any such Bond to be an "Arbitrage Bond".

Section 819. Continuing Disclosure. Pursuant to the Leases, the County has undertaken all responsibility for compliance with continuing disclosure requirements, and the Commission shall have no liability to the Bondholders or any other person with respect to SEC. Rule 15c2-12. Notwithstanding any other provision of this Bond Resolution, failure of the County or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, shall) or any Bondholder or Beneficial Owner may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County or the Trustee, as the case may be, to comply with its obligations under this Section 821. For purposes of this Section 821, "Beneficial Owner" means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for Federal income tax purposes.

ARTICLE IX

REMEDIES OF BONDHOLDERS

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

(i) if default shall be made by the Commission in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, as applicable;

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

(iii) if default shall be made by the Commission in the performance or observance of any other of the covenants, agreements or conditions on its part in this Bond Resolution (other than Section 821 hereof) or in the Bonds contained, and such default shall continue for a period of sixty (60) days after written notice thereof to the Commission by the Trustee or to the Commission and to the Trustee by the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding;

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

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

then, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds of a particular Series shall have already become due and payable, the Trustee by notice in writing to the Commission may, with the consent of the County unless such Event of Default arises under Section 901(iii) hereof in which case no County consent shall be necessary, or upon receipt of a direction in writing from the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding, shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Bond Resolution or in any of the Bonds contained to the contrary notwithstanding.

The right of the Trustee or of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest (to the extent permitted by law) and the reasonable and proper fees, charges, expenses and liabilities of the Trustee, and all other sums then payable by the Commission and the County under this Bond Resolution (except the principal of, and interest accrued since the next preceding Interest Payment Date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Commission and the County or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under this Bond Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, by written notice to the Commission, the County and the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, then any such declaration shall *ipso facto* be deemed to be rescinded and any such default shall *ipso facto* be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 902. Accounting and Examination of Records After Default. 1. The Commission covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record, papers and accounts of the Commission shall at all times be subject to the inspection and use of the County and the Trustee and its agents and attorneys and the Holders of the Bonds or their representatives duly authorized in writing.

2. The Commission covenants that if an Event of Default shall have happened and shall not have been remedied, the Commission, upon demand of the Trustee, will account as if it were the trustee of an express trust, for all Revenues and other moneys,

securities and funds pledged or held under this Bond Resolution for such period as shall be stated in such demand.

Section 903. Application of Pledged Property After Default 1. The Commission covenants that if an Event of Default shall happen and shall not have been remedied, the Commission, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee (a) forthwith, all Pledged Property then held by the Commission under this Bond Resolution, and (b) all Revenues, if any, which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

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

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

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

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

First: Interest -- To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

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

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for

principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

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

Section 904. Proceedings Brought by Trustee. 1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may, with the consent of the County unless such Event of Default arises under Section 901(iii) hereof in which case no County consent shall be necessary, proceed, and upon written request of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under this Bond Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Commission as if the Commission were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Bond Resolution.

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

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

direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Bond Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Bond Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding and furnished with adequate security and indemnity satisfactory to the Trustee, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Bond Resolution by any acts which may be unlawful or in violation of this Bond Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Section 905. Restrictions on Bondholder's Action. 1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Bond Resolution or the execution of any trust under this Bond Resolution or for any remedy under this Bond Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article IX, and the Holders of at least fifty-one percent (51%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Bond Resolution or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to the Trustee against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the pledge created by this Bond Resolution, or to enforce any right under this Bond Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Bond Resolution shall be instituted, had and maintained in the manner provided in this Bond Resolution and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 902 hereof.

2. Nothing contained in this Bond Resolution or in the Bonds shall affect or impair the obligation of the Commission, which is absolute and unconditional, to pay at

the respective dates of maturity and places therein expressed, the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bond.

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

Section 907. Effect of Waiver and Other Circumstances. 1. No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

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

Section 908. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default of which the Trustee has actual knowledge to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Commission. The Trustee shall also give prompt notice of the occurrence of a payment event of default of the County or an Event of Default of which the Trustee has actual knowledge to the Commission, the County and the Paying Agent. For purposes of this Section, the Trustee will be deemed to have actual knowledge only if an officer of the corporate trust department of the Trustee has actual knowledge.

Section 909. Notice to Trustee to Exercise Remedies Under Lease. The Commission covenants that if an event of default under the respective Leases of the County shall occur and be continuing, it will not exercise any of such remedies set forth in the respective Leases without the written consent of the Trustee, which consent shall not be unreasonably withheld.

ARTICLE X

CONCERNING THE FIDUCIARIES

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

Section 1002. Paying Agents; Appointment and Acceptance of Duties; Bond Registrar.

1. The Commission shall appoint one or more Paying Agents for the Bonds, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 1013 hereof for a successor Paying Agent. The Trustee is hereby appointed a Paying Agent.

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

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

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

Section 1003. Responsibilities of Fiduciaries. 1. The recitals of fact contained herein and in the Bonds shall be taken as the statements of the Commission and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Bond Resolution or of any Bonds issued hereunder or as to the security afforded by this Bond Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee or Bond Registrar shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of this Bond Resolution to the Commission or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance

any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of paragraph 2 of this Section 1003, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own gross negligence or willful misconduct.

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

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

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

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

Section 1005. Compensation. The Commission shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under this Bond Resolution, and also all reasonable expenses, charges, counsel fees and other

disbursements, including without limitation those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Bond Resolution, in accordance with the agreements made from time to time between the Commission and the Fiduciary, and subject to the rights of Bondholders hereunder, the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it under this Bond Resolution. Subject to the provisions of Section 1003 hereof, the Commission further agrees to indemnify and save each Fiduciary and the directors, officers, employees and agents of each Fiduciary harmless against any losses, liabilities, expenses and fees which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to such Fiduciary's gross negligence or willful misconduct. The provisions of this Section shall survive the payment of the Bonds pursuant to Section 1301 hereof.

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

Section 1007. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties created by this Bond Resolution by giving not less than sixty (60) days prior written notice thereof to the Commission, and mailing notice thereof to the Holders of Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless (i) previously a successor shall have been appointed by the Commission or the Bondholders as provided in Section 1009 hereof, in which event such resignation shall take effect immediately on the appointment of such successor, or (ii) a successor shall not have been appointed by the Commission or the Bondholders as provided in Section 1009 hereof on such date, in which event such resignation shall not take effect until a successor is appointed.

Section 1008. Removal of the Trustee. The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Commission. So long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time without cause by a resolution of the Commission filed with the Trustee.

Section 1009. Appointment of Successor Trustee. 1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Commission by a duly executed written instrument signed by an Authorized Commission Representative, but if the Commission does not appoint a successor Trustee within sixty (60) days, then by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Commission, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Commission and the predecessor Trustee. After such appointment of a successor Trustee, the Commission shall mail notice of any such appointment by it or by the Bondholders to the registered owners of the Bonds then Outstanding and to Moody's, Standard & Poor's and Fitch if the Bonds are then rated by such rating agency or agencies.

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

3. Any Trustee appointed under the provisions of this Section 1009 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$100,000,000 if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Bond Resolution.

Section 1010. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Commission, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Commission or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any

property, rights, interests and estates held by it under this Bond Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Commission be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Commission. Any such successor Trustee shall promptly notify the Paying Agents and Bond Registrar of its appointment as Trustee.

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

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

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

2. In the event of the resignation or removal of any Paying Agent or Bond Registrar, such Paying Agent or Bond Registrar shall pay over, assign and deliver any moneys held by it as Paying Agent or Bond Registrar to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent or Bond Registrar, the Trustee shall act as such Paying Agent or Bond Registrar.

ARTICLE XI

SUPPLEMENTAL RESOLUTIONS

Section 1101. Supplemental Resolutions Effective Upon Filing With the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Commission may be adopted, which, upon (i) the filing with the Trustee and the County of a copy thereof certified by an Authorized Commission Representative and (ii) the filing with the Trustee and the Commission of an instrument in writing made by the County consenting thereto, shall be fully effective in accordance with its terms:

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

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

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

(4) To authorize Refunding Bonds of a Series and, in connection therewith, specify and determine, or delegate to an Authorized Commission Representative the power to specify and determine, the matters and things referred to in Sections 202 and 205(2) hereof and also any other matters and things relative to such Refunding Bonds which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Refunding Bonds;

(5) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of coupon Bonds and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given hereunder to the Holders of such coupon Bonds, which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect, or to amend, modify or rescind any such

authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

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

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

(8) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Bond Resolution of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; and

(9) To modify any of the provisions of this Bond Resolution in any other respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such modification shall become effective prior to the authentication and delivery of the first Bond authorized to be issued pursuant to this Bond Resolution, each Supplemental Resolution shall be specifically referred to in the text of all Bonds authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof.

Section 1102. Supplemental Resolutions Effective Upon Consent of Trustee and the County. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee and the County of a copy thereof certified by an Authorized Commission Representative, and (ii) the filing with the Trustee, the County and the Commission of instruments in writing made by the Trustee and the County consenting thereto, shall be fully effective in accordance with its terms:

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

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

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

Section 1104. General Provisions. 1. This Bond Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article XI and Article XII hereof. Nothing contained in this Article XI or Article XII hereof shall affect or limit the right or obligation of the Commission to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 804 hereof or the right or obligation of the Commission to execute and deliver to any Fiduciary any instrument which elsewhere in this Bond Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1101 and 1102 hereof may be adopted by the Commission without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution, has been duly and lawfully adopted in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Commission and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 1101, 1102 or 1103 hereof and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of this Bond Resolution.

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

ARTICLE XII

AMENDMENTS

Section 1201. Mailing and Publication. 1. Any provision in this Article for the mailing of a notice or other matter to Bondholders by the Commission shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the Commission, (ii) to the County and (iii) to the Trustee. If the Bonds are rated by Moody's, Standard & Poor's or Fitch, then the Commission shall give notice to the rating agency or agencies that rated the Bonds of any material amendments to this Bond Resolution.

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

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

Section 1203. Consent of County and Bondholders. The Commission may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1202 hereof to take effect when and as provided in this Section 1203. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto approved by the Trustee), together with a request to the County and the Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Commission to the County and the Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 1203 provided). Such Supplemental Resolution shall not

be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of the County and the Holders of the percentages of Outstanding Bonds specified in Section 1202 hereof and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Commission in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Commission and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (ii) a notice shall have been given as hereinafter in this Section 1203 provided. The consent of the County shall be effective if given by written instrument and the consent of the Holders of the Bonds shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1303 hereof. A certificate or certificates executed by the Trustee and filed with the Commission and the County stating that it has examined such proof and that such proof is sufficient in accordance with Section 1303 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the County and the Holder of the Bonds giving such consent and, anything in Section 1303 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1203 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer, of such revocation in the manner permitted by this Section 1203. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Commission to the effect that no revocation thereof is on file with the Trustee. At any time after the County and the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Commission a written statement that the County and the Holders of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Commission on a stated date, a copy of which is on file with the Trustee) has been consented to by the County and the Holders of the required percentages of Bonds and will be effective as provided in this Section 1203, may be given to Bondholders by the Commission by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1203 provided). The Commission shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 1203 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Commission, the County, the Trustee and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof

of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Commission during such forty (40) day period and any such further period during which any such action or proceeding may be binding shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

Section 1204. Modifications by Unanimous Consent. The terms and provisions of this Bond Resolution and the rights and obligations of the Commission, the County and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Commission of a Supplemental Resolution and the consents of the County and the Holders of all of the Bonds then Outstanding, such consents to be given as provided in Section 1203 hereof, except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary, of the County and of the Bondholders.

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

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

ARTICLE XIII

MISCELLANEOUS

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

2. Principal and/or interest installments for the payment or redemption of which moneys or Investment Securities shall have been set aside and shall be held in trust by the Trustee or Paying Agents (through deposit by the Commission of funds for such payment or redemption or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph 1 of this Section. Subject to the provisions of paragraph 3 through paragraph 5 of this Section, any Outstanding Bonds shall, prior to the maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph 1 of this Section if (a) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient in either case, as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trust and to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be and (b) in the event said Bonds are not by their terms subject to redemption within

the next succeeding sixty (60) days, the Commission shall have given the Trustee, in form satisfactory to it, instructions to mail as provided in Article IV hereof a notice to the Holders of such Bonds that the deposit required by (a) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1301 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraph 6 of this Section 1301, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds, and (c) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Commission shall have given to the Trustee, in form satisfactory to it, instructions to mail as provided in Article IV hereof notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Commission or purchased or otherwise acquired by the Commission and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date. Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. For purposes of this Section 1301 only, the term Investment Securities shall mean only those Investment Securities described in clause (1) of the definition of Investment Securities contained in Section 101 hereof unless the Commission shall have received written confirmation from Moody's, if the Bonds are then rated by Moody's, Standard & Poor's, if the Bonds are then rated by Standard & Poor's, and Fitch, if the Bonds are then rated by Fitch, that defeasance with Investment Securities other than those described in clause (1) of the definition in Section 101 hereof will result in the Bonds being rated in the highest investment grade or category of each such rating agency.

The Trustee shall, if so directed by the Commission prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or prior to the maturity date of any Bonds deemed to have been paid in accordance with this Section 1301 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trustee) to pay when due the Principal Installment, redemption premium, if any, and interest due or to become due on all Bonds, in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or Bonds which are to be redeemed prior to their maturity date, the Commission shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Commission to the Trustee

as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301. The directions given by the Commission to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 1301 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 1301 such amount is in excess (as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trustee) of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy subclause (a) of this paragraph 2 of Section 1301, the Trustee shall, after having paid all amounts (to the extent available), if requested by the Commission, pay the amount of such excess to the Commission free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution.

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

than at the option of the Holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Holder thereof, or (z) upon compliance with the provisions of paragraph 3 of this Section 1301, such securities as are described in this paragraph 1301(2) which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

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

4. In the event after compliance with the provisions of paragraph 3 of this Section 1301 the Investment Securities described in clause (z) of paragraph 2 of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (a) of paragraph 2 of this Section 1301 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Commission, provided that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into consideration any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Commission in accordance with paragraph 3 of this Section 1301, shall at all times be sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trustee) to satisfy the requirements of clause (b) of paragraph 2 of this Section 1301, shall reinvest the proceeds of such redemption in Investment Securities.

5. In the event that after compliance with the provisions of paragraph 4 of this Section 1301 the Investment Securities described in clause (z) of paragraph 2 of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (a) of paragraph 2 of this Section 1301, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Commission, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Commission be changed to any

other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1301 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of paragraph 2 of this Section 1301 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Securities on deposit with the Trustee including any Investment Securities or redemption proceeds in accordance with paragraph 5 of this Section 1301 pursuant to clause (a) of paragraph 2 of this Section 1301 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with paragraph 2 of this Section 1301 which have not as yet been paid.

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

Section 1302. Unclaimed Funds. 1. Anything in this Bond Resolution to the contrary notwithstanding, but subject to any provision of State law to the contrary, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, at their stated maturity dates, if such moneys were held by the Fiduciary at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, after all amounts due and owing to the County, to the extent there are any moneys available therefor, have been paid as provided in paragraph 2 of this Section 1302, at the written request of the Commission, be repaid by the Fiduciary to the Commission, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Commission for the payment of such Bonds; provided, however, that before being required to make any such payment to the County or the Commission, the Fiduciary shall, at the expense of the Commission, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Commission, except as set forth in paragraph 2 below.

Section 1303. Evidence of Signatures of Bondholders and Ownership of Bonds.

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

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

(2) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

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

3. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Commission or any Fiduciary in accordance therewith.

Section 1304. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest or principal due on any date with respect to

particular Series of Bonds or for particular Bonds within such Series of Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

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

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

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

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

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

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

Section 1310. Holidays. Except with respect to the computation of a Record Date, if the date for making any payment or the last date for performance of any act or

the exercising of any right, as provided in this Bond Resolution, shall be a legal holiday or a day on which banking institutions in the municipality in which is located the principal office of the Trustee or the operational office of the Commission are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Bond Resolution, and no interest shall accrue for the period after such nominal date.

Section 1311. Notices and Demands. All notices, demands or other communications provided for in this Bond Resolution shall be in writing and shall be by facsimile transmission (with written confirmation of receipt) followed by hard copy sent by personal delivery or certified or registered mail or by recognized overnight delivery, to (i) the County as set forth in a certificate delivered by the Commission to the Trustee upon delivery of the Bonds, (ii) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey, 08065, Attn: Executive Director, (iii) the County at 49 Rancocas Road, Mt. Holly, New Jersey 08060, Attn: County Treasurer and (iv) the Trustee at 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034 Attn: Corporate Trust Department, or to such other representatives or addresses as the Commission, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

Section 1312. Headings. The Article and Section headings in this Bond Resolution are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Bond Resolution.

Section 1313. Governing Law. This Bond Resolution shall be governed by and construed in accordance with the laws of the State.

Section 1314. Separate Financing. Nothing contained in this Bond Resolution shall be construed to prevent the Commission from acquiring, constructing or financing through the issuance of its bonds, notes, or other evidences of indebtedness any other public facilities or from securing such bonds, notes or other evidences of indebtedness by a mortgage of such public facilities so financed or by a pledge of, or other security interest in, the revenues thereunder or any lease or other agreement with respect thereto or any revenues derived from such lease or other agreement; provided that such bonds, notes, or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund held under this Bond Resolution and neither the cost of such public facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund hereunder.

ARTICLE XIV

BOND FORMS AND EFFECTIVE DATE

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

No. R-__

**UNITED STATES OF AMERICA
 STATE OF NEW JERSEY
 BURLINGTON COUNTY BRIDGE COMMISSION**

**LEASE REVENUE [BOND][NOTE]
 (2018 COUNTY LEASING PROGRAM), SERIES 2018**

INTEREST RATE PER ANNUM _____%	DATED <u>DATE</u> _____ 1, 20__	MATURITY <u>DATE</u> _____ 1, 20__	DATE OF <u>AUTHENTICATION</u> _____	CUSIP <u>NUMBER</u> _____
---	--	---	---	---------------------------------

REGISTERED OWNER:

PRINCIPAL SUM: _____ DOLLARS
 (\$_____)

THE BURLINGTON COUNTY BRIDGE COMMISSION (hereinafter called the "Commission"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to the REGISTERED OWNER stated above, or registered assigns, the PRINCIPAL SUM stated above, on the MATURITY DATE stated above or on the date fixed for redemption, as the case may be, together with interest on such PRINCIPAL SUM from the date of this Bond (as hereinafter defined) until the Commission'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 semiannually thereafter on the first days of _____ and _____]. [stated above on _____, 20__ if issued as a Note.] This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of TD Bank, National Association. Interest on this Bond will be payable by check or draft which will be mailed or shall be by wire transfer to the Registered Owner hereof whose name shall appear on the registration books of the Commission which shall be kept and maintained by the Bond Registrar hereinafter mentioned, as determined on the fifteenth day of _____ and _____ (whether or not a Business Day) (the "Record Date"); provided however, that a Registered Owner of \$1,000,000 or more in principal amount of Bonds shall be entitled, upon five (5) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds. Payment of the principal of and interest on this 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 (2018 County Leasing Program), Series 2019" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount of \$_____ and authorized and issued under and pursuant to the Self-Liquidating Bridges Act, P.L. 1934, c.17, as amended, and under and in accordance with a resolution of the Commission duly adopted October __, 2019 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds (2018 County Leasing Program), Series 2019" (the "Resolution") and the Series Certificate (as defined in the Resolution). Copies of the Resolution are on file in the office of the Commission in Palmyra, New Jersey and at the principal corporate trust office of TD Bank, National Association (the "Trustee"), as trustee under the Resolution.

This Bond is a direct, limited and special obligation of the Commission payable from and secured by alien on the Pledged Property of the Commission, as such term is defined in the Bond Resolution, and from any other moneys pledged therefor under the Bond Resolution; provided, however, that the power and obligation of the Commission to cause application of such Pledged Property and other funds to the payment of the principal or redemption price of and the interest on the Bonds is subject to the terms of the Bond Resolution.

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

As defined in the Bond Resolution, and for purposes of this Bond, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State of New Jersey or the State of New York or a day on which the Trustee, the Bond Registrar, the Commission or any Paying Agent is legally authorized to close. All other terms used herein which are not defined shall have the meanings ascribed to such terms in the Bond Resolution.

The Bonds maturing on and after _____1, 20___ are subject to redemption prior to maturity at the option of the Commission, on or after _____ 1, 20___, upon notice to the Registered Owner hereof as hereinafter provided, as a whole at any time or in part from time to time, in such order of maturities as selected by the Commission at the respective redemption prices (expressed as percentages of the _____ principal amount of the Bonds or portions thereof to be redeemed) set forth below for the applicable redemption period, together with interest accrued thereon, to the date fixed for redemption:

Optional Redemption Period (Both Dates Inclusive)	Redemption Price
_____ 1 20___ to _____ 31, 20___	_____%

duly authorized attorney, together with the required signature guarantee, and thereupon the Commission shall issue in the name of the transferee a new registered Bond or Bonds, of the same aggregate principal amount and series designation, maturity and interest rate as the surrendered Bond as provided in the Bond Resolution, upon payment of the charges therein prescribed. The Commission, the Trustee, the Bond Registrar and any Paying Agent of the Commission may treat and consider the person in whose name this Bond is registered as the Holder and absolute owner of this Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes whatsoever.

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

THE BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY SUBDIVISION THEREOF OTHER THAN THE COMMISSION AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION OTHER THAN THE COMMISSION, AND EITHER LEGAL, MORAL OR OTHERWISE. THE COMMISSION IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, AND INTEREST ON THE BONDS FROM THE REVENUES AND FUNDS PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS.

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

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

IN WITNESS WHEREOF, THE BURLINGTON COUNTY BRIDGE COMMISSION has caused this 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.

THE BURLINGTON COUNTY

BRIDGE COMMISSION

ATTEST:

Secretary

By: _____
Chairman

[SEAL]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____ (PLEASE PRINT OR TYPE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NO. OF ASSIGNEE) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, as Attorney, to transfer the within Bond on the registration books of the Burlington County Bridge Commission 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 every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

SIGNATURE GUARANTY:

By: _____

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution which is a Participant in a Securities Transfer Association.

CERTIFICATE OF AUTHENTICATION

This bond is one of the issue of Lease Revenue Bonds (2018 County Leasing Program), Series 2019 of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond.

_____ as Trustee and Registrar

By: _____
Authorized Signature

Section 1403. Effective Date. This Bond Resolution shall take effect immediately upon its adoption in accordance with the Act; provided, however, that in no event shall this Bond Resolution become effective until such date as the Local Finance Board shall render findings in connection with the matters set forth herein, in satisfaction of the provisions of *N.J.S.A. 40A:5A-7*.

EXHIBIT A

FORM OF EQUIPMENT LEASE

EXHIBIT B

FORM OF IMPROVEMENTS LEASE

Commissioner Singleton moved to approve. Chairman Comegno seconded the motion. The motion passed unanimously.

**RESOLUTION NO. 2019-64
RESOLUTION AUTHORIZING EQUIPMENT LEASE AND
AGREEMENT BETWEEN THE BURLINGTON COUNTY BRIDGE
COMMISSION AND COUNTY OF BURLINGTON, NEW JERSEY.**

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- EXHIBIT G CERTIFICATE FOR SUBSTITUTION OF EQUIPMENT
- EXHIBIT H FORM OF OPINION OF GENERAL COUNSEL OR BOND COUNSEL TO THE COUNTY

THIS EQUIPMENT LEASE AND AGREEMENT (the "Agreement"), dated _____, 2019, by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

WITNESSETH:

WHEREAS, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Commission is authorized by the Act to lease to any governmental unit or Person, all or any part of any public facility, including but not limited to capital equipment, for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and agree upon; and

WHEREAS, at the request of the County, the Commission has determined to temporarily finance the costs of, *inter alia*, a project (the "Equipment Project") consisting of the acquisition of vehicles and various pieces of capital equipment and the leasing thereof to the County, all as more fully described in the County's 2018 Capital Budget and in Exhibit B to this Agreement (collectively, the "Equipment"), with a portion of the proceeds of its Lease Revenue Notes (2018 Governmental Leasing Program), Series 2019 in the aggregate principal amount of \$ _____ (the "Series 2019 Notes"); and

WHEREAS, the Equipment will be acquired by the Commission, at the direction of the County, and leased by the Commission to the County pursuant to the terms hereof for so long as the Equipment Project Allocable Portion of the Series 2018 Bonds remain Outstanding (as such term is defined in the hereinafter defined Resolution); and

WHEREAS, the Commission has, by a resolution entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2018 County Leasing Program), Series 2019", duly adopted October __, 2019, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof (the "Resolution"), authorized the issuance of, *inter alia*, Lease Revenue Bonds or Notes, including the Series 2019 Notes, from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Equipment; and

WHEREAS, the principal portion of the Series 2019 Bonds (as hereinafter defined) initially issued as Series 2019 Notes allocable to the Equipment Project is \$ _____ .00 (the "Equipment Project Allocable Portion"); and

WHEREAS, all actions necessary and required under the Act for the due execution, delivery and performance of this Agreement have been taken by the Commission and the County; and

WHEREAS, the County has determined to lease the Equipment Project from the Commission pursuant to the terms and conditions set forth herein; and

WHEREAS, the Commission will, pursuant to and in accordance with the terms of the Act, provide for the payment of the costs of, *inter alia*, the Equipment Project through the issuance of the Series 2019 Bonds and the Debt Service (as hereinafter defined) on the Series 2019 Bonds shall be payable in part from Rentals (as hereinafter defined) representing the Equipment Project Allocable Portion to be received from the County pursuant to the terms and conditions set forth herein; and

WHEREAS, the Commission and the County agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of this Agreement pursuant to the powers conferred by the Act.

NOW, THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.1. Definitions. The terms that are set forth in this Section shall, unless the context clearly requires otherwise, have the meanings which are set forth below. Terms that are used as defined terms herein but which are not defined herein shall have the meanings assigned to such terms in the Resolution (as hereinafter defined). Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"2018 Capital Plan" shall mean the capital budget approved by the County which identifies certain items of Equipment and capital improvements to be undertaken by or on behalf of the County with an aggregate value that does not exceed \$76,000,000, as same may be amended from time to time.

"Acceptance Certificate" shall mean a certificate substantially in the form set forth in Exhibit C annexed hereto and incorporated by this reference herein.

"Act" shall mean the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State (*N.J.S.A. 27:19-26, et seq.*), and the acts amendatory thereof and supplemental thereto.

"Additional Rent" shall mean all amounts payable by the County to the Commission pursuant to Section 3.1(b) hereof including, but not limited to, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, any amounts in excess of Basic Rent necessary to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2018 Bonds, all costs and expenses incurred in connection with any purchase of the Equipment constituting the Equipment Project by the County prior to expiration of the Lease Term including reasonable attorneys' fees and verification fees, and all direct and indirect costs and expenses incurred by the Commission and the Trustee related to the enforcement of this Agreement, including reasonable attorneys' fees related thereto.

"Aggregate Debt Service Obligation" shall have the meaning assigned to such term in Section 3.7(b) hereof.

"Agreement" shall mean this Equipment Lease and Agreement, dated _____, _____, 2019, by and between the Commission and the County and any and all modifications, alterations, amendments and supplements hereto which are made in accordance with the provisions hereof and the provisions of the Resolution.

“Authorized Commission Representative” shall mean the Chairman, Vice Chairman, Treasurer, Executive Director or any other Person or Persons authorized to act on behalf of the Commission by a written certificate signed on behalf of the Commission by the Chairman or Vice Chairman of the Commission containing the specimen signature of each such Person.

“Authorized County Representative” shall mean any Person or Persons authorized to act on behalf of the County by a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of Chosen Freeholders, the County Treasurer or the County Chief Financial Officer and containing the specimen signature of each such Person, which form of certificate is set forth as Exhibit F annexed hereto and incorporated by this reference herein.

“Authorizing Instrument” shall mean Ordinance No. 2018-00334 duly adopted by the Board of Chosen Freeholders of the County on July 28, 2018 approving and authorizing the execution and delivery of, *inter alia*, this Agreement.

“Basic Rent” shall mean (i) the sum of money representing principal and interest necessary to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2018 Bonds, payable by the County on each Lease Payment Date, as set forth in Exhibit A annexed hereto (as same may be amended in connection with the issuance by the Commission of an additional Series of Series 2018 Bonds, if any) and incorporated by this reference herein and as described in Section 3.1(a) hereof, and (ii) the sum of money required to pay the Equipment Project Allocable Portion of the Redemption Price (as defined in the Resolution), if any, to the extent required to redeem the Series 2018 Bonds pursuant to Article IV of the Resolution.

“Bond Counsel” shall mean such lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Commission.

“Bonds” shall mean the Outstanding Series 2018 Bonds of the Commission authorized and issued pursuant to Article II of the Resolution, including the Series 2019 Notes.

“Business Day” shall mean any day that is not a Saturday, Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Registrar, any Paying Agent, the Commission or the County is legally authorized to close.

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

“Commission” shall mean the Burlington County Bridge Commission, a public body corporate and politic of the State organized and existing under the Act and created

pursuant to a resolution of the Board of Chosen Freeholders of the County adopted on October 22, 1948, and any successor to its duties and functions.

“Commission Administrative Expenses” shall mean the Equipment Project Allocable Portion of any and all expenses of the Commission and its agents, professionals and employees incurred or to be incurred by or on behalf of the Commission in the administration of its responsibilities under the Resolution and this Agreement including, but not limited to, (i) the Initial Commission Financing Fee, (ii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of the Series 2018 Bonds, the financing of the Equipment Project or the compelling of the full and punctual performance of the Resolution and this Agreement in accordance with the terms thereof and hereof, and (iii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Registrar, the Trustee or any other Fiduciaries and their counsel in connection with the performance of their respective fiduciary responsibilities under the Resolution and this Agreement, all to the extent not capitalized pursuant to the requirements of the Resolution, which Equipment Project Allocable Portion of the Commission Administrative Expenses shall be paid as Additional Rent by the County.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement among the Commission, and the Trustee, acting as dissemination agent, dated _____, 2019, as the same may be amended or supplemented from time to time.

“Cost” or “Costs” shall mean and be deemed to include, with respect to any Item of Equipment, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Agreement, (a) the costs of payment of, or reimbursement for, acquisition, installation and financing of each such Item of Equipment including, but not limited to, advances or progress payments, installation costs, administrative costs and capital expenditures relating to installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs; (b) the Equipment Project Allocable Portion of the fees and charges of the Trustee pursuant to the Resolution, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Commission Financing Fee for the Series 2018 Bonds, all professional and consulting fees and charges of the Commission and the County, costs of rating agencies, bond insurance, fees for the printing, execution, transportation and safekeeping of the Series 2018 Bonds, and any charges and fees in connection with any of the foregoing; (c) all other costs which the County or the Commission shall be required to pay under the terms of any contract or contracts for the acquisition and installation of any Item of Equipment constituting the Equipment Project including, but not limited to, the cost of insurance; (d) any sums required to reimburse the County for advances made for any of the above items, or for any other costs which are properly incurred and for work done, which is properly chargeable to any Item of Equipment; (e) the Equipment Project Allocable Portion of the deposits in any Fund or Account under the terms of the

Resolution, all as shall be provided in the Resolution; (f) the payment of Debt Service on the Notes; (g) the Equipment Project Allocable Portion of the Commission Administrative Expenses; and (h) such other expenses which are not specified herein as may be necessary or incidental to the acquisition and installation of any Item of Equipment, the financing thereof and the placing of the same in use and operation. "Cost" or "Costs", as defined herein, shall be deemed to include the Equipment Project Allocable Portion of the cost and expenses incurred by any agent of the Commission or the County with respect to any of the above-mentioned items.

"County" shall mean the County of Burlington, New Jersey, a public body corporate and politic of the State.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to the Equipment Project Allocable Portion of the Series 2018 Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Equipment Project Allocable Portion of the Series 2018 Bonds except to the extent such interest is to be paid from deposits made from Series B Bond proceeds into the Equipment Project Account of the Debt Service Fund, if any, and (ii) the amount that is required to pay the Principal Amount due on such Equipment Project Allocable Portion of the Series 2018 Bonds during such period. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Debt Service Fund" shall mean the Debt Service Fund created and established in Section 502(5) of the Resolution.

"Debt Service Requirement" with respect to any Bond Payment Date for the Series 2018 Bonds shall mean, interest accrued and unpaid and to accrue to such date plus the Principal Amount due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Default" or "Event of Default" shall mean one or more of the events of default as defined in Section 7.1 hereof but not under the Resolution.

"Equipment" or "Item(s) of Equipment" shall mean the capital equipment described in Exhibit B annexed hereto and incorporated by this reference herein to be purchased and acquired on behalf of the County with the proceeds of the Series 2018 Bonds, including the Series 2019 Notes, and including any item of capital equipment appearing on Exhibit B as Exhibit B is amended, supplemented and restated from time to time in connection with any capital Equipment acquired by or on behalf of the County as permitted hereunder in substitution for, as a renewal or replacement of, or a modification or addition to, an Item of Equipment then described in Exhibit B.

"Equipment Project" shall mean the acquisition and installation of the Equipment permanently financed and/or refinanced with the proceeds of the Series 2018 Bonds, together with all necessary and incidental equipment, apparatus, structures and

appurtenances necessary or desirable for the efficient operation of such Equipment, all as described in Exhibit B annexed hereto and incorporated by this reference herein.

“Equipment Project Account” shall mean the respective Accounts of the Project Fund, Revenue Fund, Operating Fund, Proceeds Fund, Debt Service Fund and Rebate Fund established pursuant to Article V of the Resolution.

“Equipment Project Allocable Portion” shall mean _____% of the par amount of the Series 2018 Bonds issued as the Series 2019 Notes.

“Favorable Opinion of Bond Counsel” shall mean an opinion of Bond Counsel, addressed to the Commission, the Trustee and the County, to the effect that the action proposed to be taken is authorized or permitted by the Resolution and the Act and will not adversely affect the exclusion of interest on the Series 2018 Bonds from gross income for purposes of Federal income taxation under Section 103 of the Code.

“Fiduciary” or “Fiduciaries” shall mean the Trustee, the Paying Agent, the Registrar, the dissemination agent under the Continuing Disclosure Agreement, if any, or any or all of them, as may be appropriate.

“Fiscal Year” shall mean the twelve (12) month fiscal period of the County or the Commission, as applicable.

“Initial Commission Financing Fee” shall mean the initial financing fee of the Commission for the Series 2018 Bonds, which shall be in an amount equal to 0.08% of the par amount of the Series 2018 Bonds. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$_____.

“Lease Payment” shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County upon demand pursuant to Section 3.1 hereof, respectively.

“Lease Payment Date” shall mean with respect to the Series 2018 Bonds issued as Series 2019 Notes, _____, 2020 or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Series 2018 Bonds, if any, which dates shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Refunding Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

“Lease Term” shall mean the period during which this Agreement or the lease of any Item of Equipment, as the case may be, is in effect as specified in Section 2.2 hereof.

“Person” or “Persons” shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

“Principal Amount” shall mean, as of any date of calculation, and with respect to any Outstanding Series 2018 Bonds, the principal amount thereof.

“Proceeds” shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to any Item of Equipment, remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 5.3 of this Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

“Proceeds Fund” shall mean the Proceeds Fund created and established under Section 502(4) of the Resolution.

“Project Fund” shall mean the Project Fund created and established pursuant to Section 502(1) of the Resolution.

“Purchase Option Price” shall have the meaning that is assigned to such term in Section 3.7(b) hereof.

“Rent”, “Rental(s)” or “Rental Payment” shall mean the sum of Basic Rent and Additional Rent, which is payable by the County in connection with the lease of the Equipment constituting the Equipment Project pursuant to the terms of this Agreement.

“Resolution” shall mean the resolution duly adopted by the Commission on October __, 2019, entitled, “Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2018 County Leasing Program), Series 2019”, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

“Series 2018 Bonds” shall mean the Commission’s Lease Revenue Bonds or Notes (as defined in the Resolution) issued from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Equipment.

“Series 2019 Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2019 authorized and issued on __, 2019 in the aggregate principal amount of \$_____ pursuant to Section 203 of the Resolution.

“State” shall mean the State of New Jersey or any successor to its duties and functions.

“Substitution Certificate” shall mean the certificate executed by an Authorized County Representative, pursuant to Section 8.1 of this Agreement, and substantially in the form set forth in Exhibit G annexed hereto and incorporated by this reference herein.

“Trustee” shall mean, with respect to the Series 2018 Bonds, TD Bank, National Association and its successors or assigns or any other bank, trust company or national banking association appointed trustee pursuant to the Resolution.

ARTICLE II

LEASE OF EQUIPMENT; TERM OF LEASE; ACQUISITION OF EQUIPMENT

SECTION 2.1. Lease of Equipment. The Commission hereby agrees to lease to the County, and the County hereby agrees to take and hire from the Commission each Item of Equipment on the terms and conditions set forth in this Agreement for the purpose of financing the Equipment Project Allocable Portion of the Project.

SECTION 2.2. Term of Lease. Subject to the provisions of Section 9.10 hereof, the Lease Term for the Equipment shall commence on the date hereof and shall terminate on the first date upon which the Equipment Project Allocable Portion of the Series 2018 Bonds are no longer deemed to be Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the provisions of this Agreement for a reason other than the Default of the County of any obligation hereunder. The Lease Term for any Item of Equipment shall be deemed to commence on the date hereof and end on the respective dates specified in Exhibit B annexed hereto with respect to each such Item of Equipment.

SECTION 2.3. Completion of Acquisition of Items of Equipment.

(a) The Commission agrees to acquire and install or cause the County to acquire and install each of the Items of Equipment specified in Exhibit B pursuant to the specifications prepared by or on behalf of the County. The Commission and the County agree that the County will be responsible for the letting of contracts for the purchase and installation of the Items of Equipment and for supervising the installation and acceptance of the Items of Equipment.

(b) Contracts to be let in connection with the purchase and installation of each Item of Equipment shall be let in accordance with all applicable State competitive bidding laws.

(c) Upon delivery of each Item of Equipment to the County, the County shall cause an Authorized County Representative to inspect the same and, either (i) if such Item of Equipment is found to be in good condition, to accept such Item of Equipment and to execute and deliver an Acceptance Certificate in the form set forth in Exhibit C attached

hereto and the requisition in the form set forth in Exhibit E attached hereto for payment of such Item of Equipment required by the terms of the Resolution (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof) to the Commission within ten (10) Business Days of inspection, which Acceptance Certificate and related requisition for payment (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof) shall be forwarded to the Trustee for payment, or (ii) if the County, acting in good faith, should find that such Item of Equipment is not in good condition or in accordance with specifications therefor, the County shall return or direct the Commission to return the same to the manufacturer or supplier thereof. Upon presentation of an Acceptance Certificate and the requisition required by the terms of the Resolution (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof), the Trustee will pay the Cost of such Item of Equipment pursuant to the terms of the Resolution. In the event the County determines that an Item of Equipment is not in good condition or in accordance with specifications therefor and the County returns or directs the Commission to return an Item of Equipment to the manufacturer which was not delivered in good working order and substitute, replacement or additional Equipment is not procured in a timely manner such that an Acceptance Certificate and requisition for payment of the County are not submitted to the Commission for approval and forwarded to the Trustee for full payment on or before eighteen (18) months after the date of original issuance of the Series 2018 Bonds and in accordance with the time periods and percentages specified in Section 2.3(a) hereof such that the Series 2018 Bonds are not deemed to have been "spent" in accordance with the Code, the County shall pay to the Commission as Additional Rent the cost and expense of the performance of an arbitrage rebate calculation. The County shall also be required to pay arbitrage rebate moneys to the Commission in the event the County's failure to "spend" Series B Bond proceeds attributable to the Equipment Project, requires the Commission to rebate money to the Internal Revenue Service. The obligation of the County to pay the Commission the cost and expense of the performance of an arbitrage rebate calculation and arbitrage rebate moneys shall survive the expiration of the Lease Term and the final maturity of the Series 2018 Bonds.

(d) In the event the County fails to comply with the provisions regarding the eighteen (18) month rebate exception under the Code and the Series 2018 Bonds are subject to arbitrage rebate, all amounts to be rebated to the Internal Revenue Service by the Commission which are required hereunder to be paid by the County to the Commission as Additional Rent shall be the obligation of the County, whose failure to comply resulted in the Series 2018 Bonds being subject to arbitrage rebate. The obligation of the County to pay to the Commission arbitrage rebate moneys and the cost and expense of the performance of an arbitrage rebate calculation shall survive the expiration of the Lease Term for all Equipment and the final maturity of the Equipment Project Allocable Portion of the Series 2018 Bonds.

(e) Upon delivery of the Equipment to the County, the Commission shall hold title thereto during the Lease Term. At the time the County delivers the Acceptance Certificate and the requisition for payment to the Commission for approval, it shall also

provide to the Commission all documents and certificates evidencing title to such Item of Equipment, which title shall be in the name of the Commission during the Lease Term pursuant to Section 6.1 hereof.

SECTION 2.4. Issuance of Series 2018 Bonds.

(a) In order to provide funds for, among other things, the payment of the Costs of the Equipment Project, the Commission will use its best efforts to issue, sell and deliver the Series 2018 Bonds.

(b) The County shall cooperate with the Commission in furnishing to the Commission and the Trustee all documents required to effectuate the completion of the Equipment Project, including the execution and delivery of certificates, resolutions, opinions and disclosure materials necessary in connection therewith.

(c) In the event the County notifies the Commission and the Trustee that moneys in the Equipment Project Account of the Project Fund are not sufficient to purchase all of the Equipment, the County shall be obligated to pay the balance of the purchase price of the Equipment out of legally available funds therefor. In the event the County acquires an Item of Equipment with a purchase price greater than the moneys allocated to such Item of Equipment as indicated by Exhibit B or Exhibit G, if applicable, annexed hereto, the County shall pay the balance of such moneys to the Trustee for deposit in the Equipment Project Account of the Project Fund and the Trustee shall be directed by the Commission to pay the Cost of Equipment in accordance with the provisions of Section 2.5(b) hereof. In such event, the County shall not be entitled to any reimbursement from the Commission as a result of such payment.

(d) In the event the County pays to the Trustee sums needed to fund the balance of the Cost of the Equipment in accordance with the provisions of Section 2.4(c) hereof, the County shall complete Exhibit E (Paragraphs 6 and 7) attached hereto to reflect the amount of money forwarded by the County to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to make up the deficiency in such Cost of the Equipment.

SECTION 2.5. Application of Series B Bond Proceeds and Other Funds.

(a) Upon original issuance of the Series 2018 Bonds, the Equipment Project Allocable Portion of the Series 2018 Bond proceeds shall be applied as follows: to the Trustee (i) an amount equal to the Equipment Project Allocable Portion of the accrued interest on the Series 2018 Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund; (ii) the amount representing the Equipment Project Allocable Portion of the costs of issuance on the Series 2018 Bonds, including the Equipment Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Equipment Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution; and (iii) the balance allocated shall be deposited into the Equipment

Project Account of the Project Fund and paid in accordance with Section 503 of the Resolution.

(b) The Commission has in the Resolution authorized and directed the Trustee to make payments from the Equipment Project Account of the Project Fund to pay the Costs of the Equipment Project upon receipt by the Commission and the Trustee of an Acceptance Certificate (in the form set forth in Exhibit C attached hereto) and a requisition (in the form set forth in Exhibit E attached hereto), each signed by an Authorized County Representative and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), which requisition shall certify with respect to each payment to be made: (1) the requisition number, (2) the name and address of the Person, firm, corporation or agency to whom payment is due or has been made, (3) the amount to be paid, (4) the Item(s) of Equipment to which the requisition relates and (5) that each obligation, item of cost or expense mentioned therein has been properly incurred, is a Cost and is a proper charge against the Equipment Project Account of the Project Fund and has not been the subject of any previous withdrawal.

(c) In connection with the approval of requisitions by the Commission, nothing herein contained shall prevent the County, acting on behalf of and as agent for the Commission in connection with the acquisition and installation of the Equipment, from making all final determinations in connection with the interpretation and performance of any contracts for the acquisition and installation of the Equipment.

(d) The Commission agrees to cooperate with the County in furnishing to the Trustee any documents required to effect payments out of the Equipment Project Account of the Project Fund in accordance with this Section 2.5 and Section 2.4(d) hereof. Such payment obligation of the Commission is subject to any provisions of the Resolution requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Equipment Project Account of the Project Fund available for payment under the terms of the Resolution.

(e) Pursuant to Sections 503(2)(d) and (e) of the Resolution, after the delivery and filing of an Acceptance Certificate for an Item of Equipment by the County to the Commission, and the Trustee, and to the extent Series B Bond proceeds remain in the Equipment Project Account of the Project Fund allocable to such Item of Equipment, and upon delivery to the Trustee of written instructions of an Authorized Commission Representative, an amount equal to the Equipment Project Allocable Portion of the Commission Administrative Expenses for the year shall be transferred by the Trustee and deposited in the Equipment Project Account of the Operating Fund. Any balance of Series B Bond proceeds remaining in the Equipment Project Account of the Project Fund allocable to such Item of Equipment, after application of such moneys in accordance with the preceding sentence, shall be applied to the additional Items of Equipment or transferred to the Equipment Project Account of the Debt Service Fund and applied by the Trustee as a credit toward the County's Basic Rent obligation on the next succeeding Lease Payment Date in accordance with Section 503 of the Resolution.

(f) All interest earned on any moneys or investments in the Equipment Project Accounts of each of the Project Fund, the Debt Service Fund and the Proceeds Fund shall be transferred by the Trustee to the Equipment Project Account of the Proceeds Fund and shall be applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with the provisions of Section 507(4) of the Resolution.

(g) Nothing herein shall be construed to prevent the Trustee from making advance, partial or progress payments from the Equipment Project Account of the Project Fund for application to the Cost of the Equipment in the event the County is acquiring Equipment under any contract requiring partial or progress payments. In such event, the County shall complete the requisition for advance, partial or progress payments set forth in Exhibit D which is attached hereto and incorporated by reference herein to requisition moneys for such partial payment, which requisition shall be delivered to the Commission and filed with the Trustee. The County shall also provide evidence satisfactory to the Commission and the Trustee of compliance with the requirements of Section 5.8 hereof. Notwithstanding the foregoing, the final requisition for a partial payment by the County shall be accompanied by an Acceptance Certificate pursuant to Section 2.5 hereof.

SECTION 2.6. County's Liability. As between the Commission and the County, the County assumes liability for all risks of loss during the acquisition, delivery, installation and use of each Item of Equipment. The County shall maintain, or shall demonstrate to the satisfaction of the Commission, that adequate self-insurance is provided with respect to each Item of Equipment, or require each manufacturer or supplier of each Item of Equipment to maintain, in force during the entire acquisition, delivery and installation period of each Item of Equipment, property damage insurance in an amount not less than the full value of all work done and materials and equipment provided or delivered by each such manufacturer or supplier, comprehensive liability insurance, worker's compensation insurance and other insurance required by law or customarily maintained with respect to like equipment. The existence of such insurance coverage shall be evidenced at the time the Item of Equipment is ordered by the County. Any damages or other moneys from any manufacturer or supplier of equipment or its surety paid to the County pursuant to this Section 2.6 shall be paid to the Trustee for deposit in the Equipment Project Account of the Project Fund (in accordance with written instructions) to the extent necessary to complete the acquisition of such Item of Equipment. Upon the delivery of a certificate of an Authorized County Representative to the Trustee, moneys from any manufacturer, supplier or surety not necessary to complete the acquisition of such Item of Equipment shall be transferred by the Trustee to the Equipment Project Account of the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with Sections 503(2)(f) and 507(4) of the Resolution.

SECTION 2.7. Possession and Enjoyment. From and after the installation and acceptance by the County of each Item of Equipment in accordance with the terms of this

Agreement, during the Lease Term of each Item of Equipment, the County shall have the quiet use and enjoyment of each Item of Equipment, and the County shall during the Lease Term peaceably and quietly have and hold and enjoy each Item of Equipment, without suit, trouble or hindrance from the Commission, except as expressly set forth in this Agreement. The Commission will, at the request of the County and at the County's cost, join in any legal action in which the County asserts a right to such possession and enjoyment to the extent the Commission lawfully may do so.

SECTION 2.8. Commission Access to Equipment. The County agrees that the Commission shall have the right, but not the obligation, during the County's normal working hours on the County's normal working days to examine and inspect each Item of Equipment for the purpose of assuring that each Item of Equipment is being properly maintained, preserved, and kept in good repair, working order and condition, except in the event of emergency (which shall be determined by the Commission), when such examination and inspection can be made by the Commission at any time. The County further agrees that the Commission shall have such rights of access to each Item of Equipment as may be reasonably necessary to cause the proper maintenance of each Item of Equipment in the event of failure by the County to perform its obligations hereunder.

SECTION 2.9. Disclaimer of Warranties. THE COMMISSION, BY DELIVERY OF THIS AGREEMENT, MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY ITEM OF EQUIPMENT, OR WARRANTY WITH RESPECT THERETO. In no event shall the Commission be liable for any damages, incidental, indirect, special, consequential or otherwise, in connection with or arising out of this Agreement or the existence, furnishing, maintenance, functioning or the County's use of any Item of Equipment or products or services provided for in this Agreement.

SECTION 2.10. Manufacturers' Warranties. So long as the County shall not be in default hereunder, the Commission hereby agrees to the appointment of the County as the Commission's agent and attorney-in-fact during the Lease Term for each Item of Equipment, to assert from time to time whatever claims and rights, including warranties of such Item of Equipment, which the Commission may have against the manufacturer or supplier of such Item of Equipment. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or supplier of such Item of Equipment and not against the Commission, nor shall such matter have any effect whatsoever on the rights of the Commission with respect to this Agreement, including the right to receive full and timely Lease Payments hereunder. The County expressly acknowledges that the Commission does not make, nor has it ever made, any representation or warranty whatsoever as to the existence or availability of such warranties of the manufacturer or supplier of any Item of Equipment.

ARTICLE III

RENTALS AND OTHER PAYMENTS

SECTION 3.1. Payment of Rentals. The Commission and the County each acknowledge and agree that the Basic Rent payments due under this Agreement for the Items of Equipment purchased by the Commission (as set forth in Exhibit B hereto) reflect the Costs of the Equipment Project. By execution hereof, the County agrees to repay to the Commission the Cost of the Equipment Project and to pay Additional Rent in connection therewith as follows:

(a) The County shall pay to the Trustee, at the address set forth in Section 9.7 hereof, as Basic Rent on each Lease Payment Date, the amount in accordance with the schedule of Basic Rent set forth in Exhibit A hereto, as modified by any Substitution Certificate (annexed hereto as Exhibit G) delivered by the County pursuant to Section 8.1(b) hereof which, together with other moneys and interest and investment earnings available therefor, if any, will equal the County's Basic Rent obligation which is to be applied to the payment of the Equipment Project Allocable Portion of the Debt Service due on the Series 2018 Bonds on the next succeeding Bond Payment Date.

(b) The County shall pay to the Trustee, as the same shall become due and payable at any time during the Lease Term, on the Lease Payment Date or thirty (30) days after demand by the Commission or the Trustee, the following Additional Rent for the Equipment Project:

- (1) The Equipment Project Allocable Portion of the Commission Administrative Expenses as shall have been submitted by the Commission to the Trustee and to an Authorized County Representative as contained in a certificate executed by an Authorized Commission Representative;
- (2) The Equipment Project Allocable Portion of the fees and expenses of the Trustee, the Registrar and any Paying Agents for the Series 2018 Bonds;
- (3) Insurance policy premiums if paid by the Commission pursuant to Section 5.6 hereof; and
- (4) Any other Additional Rent.

(c) The Commission shall deliver to the County and the Trustee a certificate, from time to time as necessary, which reflects credits, if any, to be applied toward the Basic Rent obligation of the County in accordance with the provisions hereof and of the Resolution.

In accordance with the Resolution, the County shall be notified annually, in writing, by the Trustee of the amounts arising from investment earnings, if any, but such amounts shall not be applied as a credit against the Basic Rent payment obligations of the County except as set forth in Section 507(4) of the Resolution. In the event a dispute arises between the Commission and the County with respect to the amount of Basic Rent due and owing by the County, or the credits to be applied toward the County's Basic Rent obligation, such dispute shall be resolved by the Commission. The Trustee shall have no obligation with respect thereto. Notwithstanding any credits which may accrue to the County during the Lease Term, the County is obligated to pay all amounts which constitute Rentals which are due under this Agreement.

(d) Any Rentals due and owing pursuant to this Section 3.1 which are not paid by the County on or before the due date thereof shall, from and after said due date, bear interest (to the extent permitted by State law) at the highest rate per annum borne by the then Outstanding Series 2018 Bonds of the Commission until paid, time being of the absolute essence of this obligation. Any interest amounts owed by the County pursuant to this Section 3.1(d) shall constitute Additional Rent and shall be paid to the Trustee after demand by the Commission.

(e) All Rental Payments by the County shall be made in immediately available funds and shall be paid to the Trustee at the address set forth in Section 9.7 hereof.

(f) By execution hereof, the County expressly acknowledges the Commission's right to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel compliance and to enforce the County's full and timely payment of Basic Rent payments hereunder.

SECTION 3.2. Indemnification.

(a) Both during the Lease Term and, thereafter, the County shall, to the extent permitted by State law, indemnify and hold the Commission and the Trustee harmless against, and the County shall pay any and all liability, loss, cost, damage, claims, judgments or expenses (including reasonable attorneys' fees and expenses), of any and all kinds or nature and howsoever arising, other than as a result of the gross negligence or willful misconduct of the Commission or the Trustee, their members, officers, agents, professionals, servants or employees, which the Commission or the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or both, or upon or arising out of contracts entered into by the County or the Commission relating to the Equipment, or the bidding or awarding of contracts with respect thereto, or arising out of the Commission's ownership of the Equipment or the leasing thereof to the County or arising out of the acquisition, installation, use, operation or maintenance of the Equipment pursuant to the terms of this Agreement, or arising out of or caused by any untrue or misleading statement of a material fact relating to the County, if any, in the Official Statement of the Commission dated _____, 2019 (the "Official Statement") or any

omission of any material fact relating to the County in the Official Statement. It is mutually agreed by the County and the Commission that, after commencement of the Lease Term as provided in Section 2.2 hereof, neither the Commission, the Trustee nor their respective members, commissioners, officers, agents, professionals, servants or employees shall be liable in any event for any action performed under this Agreement and that the County shall, to the extent permitted by State law, save the Commission and the Trustee harmless from any claim or suit of whatsoever nature arising hereunder except for such claims or suits arising as a result of the Commission's or the Trustee's gross negligence or willful misconduct. This provision shall survive the end of the Lease Term and the final maturity of the Equipment Project Allocable Portion of the Series 2018 Bonds.

(b) The County, at its own cost and expense, shall, to the extent permitted by State law, defend any and all such claims, suits and actions which may be brought or asserted against the Commission, the Trustee or their respective members, commissioners, officers, agents, professionals, servants or employees relating to the performance of their respective obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Agreement from its obligation to defend the County, the Commission, the Trustee and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy. The County agrees that it shall give the Commission and the Trustee prompt notice, in writing, of the County's knowledge of the filing of each such claim and the institution of each such suit or action.

(c) The Commission agrees that it:

- (1) shall give the Authorized County Representative prompt notice, in writing, upon its knowledge of the filing of each such claim and the institution of each such suit or action;
- (2) shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action; and
- (3) shall permit the County to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the County shall keep the Commission informed as to the progress of any suit, claim or action, and the County shall not reach a final settlement, adjustment or compromise without the Commission's prior approval, which approval shall not be unreasonably withheld.

(d) To the extent permitted by State law, any reasonable cost incurred by the Commission or the Trustee for its respective attorneys, experts' testimony costs and any and all reasonable costs to defend the Commission or the Trustee or any of its respective directors, officials, members, officers, agents, servants or employees with respect to

matters arising hereunder shall be paid to the Trustee for the benefit of the Commission or the Trustee, as the case may be, by the County hereunder, as an Equipment Project Allocable Portion of a Commission Administrative Expense constituting Additional Rent under Section 3.1(b) hereof.

SECTION 3.3. Nature of Obligations of the County.

(a) The County shall be obligated to pay all amounts due under this Agreement which constitute Rentals, including Equipment Project Allocable Portion of Commission Administrative Expenses, which amounts shall be sufficient to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2018 Bonds and to fulfill its payment obligations hereunder. The obligation of the County to pay Rentals and to pay all other amounts provided for in this Agreement and to perform its obligations under this Agreement shall be absolute and unconditional, and such Rentals and other amounts shall be payable without any rights of set-off, recoupment or counterclaim it might have against the Commission, the Trustee or any other Person and whether or not the Equipment is purchased or is used by the County or available for use by the County.

(b) The County shall not terminate this Agreement (other than such termination as is provided for hereunder) or be excused from performing its obligations hereunder or be entitled to any abatement of its obligation to pay or cause to be paid Rentals or any other amounts hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Equipment, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Equipment, or the failure of the Commission to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

SECTION 3.4. County Lease Payment Obligation. Notwithstanding anything in this Agreement to the contrary, the cost and expense of the performance by the County of its obligations under this Agreement and the incurrence of any liabilities of the County under this Agreement including, without limitation, the obligation for the payment of all Rentals and all other amounts required to be paid by the County under this Agreement is a direct and general obligation for which the full faith and credit of the County is hereby pledged, which obligation is not subject to County appropriation and, unless the Rentals and such other amounts required to be paid by the County under this Agreement are paid from other sources, the County shall be obligated to levy *ad valorem* taxes on all taxable real property within the jurisdiction of the County without limitation as to rate or amount.

SECTION 3.5. Nature of Obligations of the Commission. The cost and expense of the performance by the Commission of any of its obligations under the terms of this Agreement shall be limited to the availability of the Equipment Project Allocable Portion of the proceeds of the Series 2018 Bonds which have been issued for such purposes or from other funds received by the Commission under the terms of this Agreement or from

insurance policies held by or for the benefit of the Commission and which are available for such purposes.

SECTION 3.6. Assignment of Payments by Commission.

(a) It is understood that all payments which are received by the Commission from the County under the terms of this Agreement (except payments which are made pursuant to Sections 3.1(b) and 3.2 hereof) are to be assigned by the Commission to the Trustee pursuant to the terms of the Resolution. Such assignment of payments by the Commission to the Trustee shall impose no duties or responsibilities on the Trustee with respect to the obligations of the Commission under the Resolution or this Agreement. To the extent any payments made pursuant to Section 3.2 hereof are derived from the Equipment Project Allocable Portion of the proceeds of the Series 2018 Bonds, such payments shall nonetheless be assigned by the Commission to the Trustee pursuant to the terms of the Resolution.

(b) The Commission agrees to notify the County, by the execution of an appropriate instrument making such assignment to the Trustee, and the County consents to such assignment and agrees that, upon receipt of such notification, it will pay directly to the Trustee at its principal corporate trust office all payments which are due and payable by the County to the Commission pursuant to the terms of this Agreement (except payments which are required to be made pursuant to Sections 3.1(b) and 3.2 hereof) without any defense, set-off or counterclaim arising out of any default on the part of the Commission hereunder. Except as provided in this Section 3.6, the Commission shall not assign this Agreement or any payments which are required to be made under the terms of this Agreement. Except as provided in Section 7.2 hereof, the Commission shall not sell or otherwise encumber its interest in the Equipment.

SECTION 3.7. Option to Purchase Equipment Prior to Expiration of Agreement.

(a) As long as no Event of Default has occurred and is continuing, the County shall have and may exercise, at any time prior to the expiration of the Lease Term, the option to purchase the Equipment upon payment to the Commission of the purchase price therefor in an amount as provided in paragraph (b) below. The County may exercise such option upon thirty (30) calendar days' prior written notice to the Commission and the Trustee.

(b) In the event the County determines to exercise its option to purchase the Equipment, the County shall deposit with the Trustee an amount which is equal to the Purchase Option Price. The Purchase Option Price as of any date shall mean the amount equal to (i) the aggregate amount of principal and interest and redemption premium, if any (collectively, the "Aggregate Debt Service Obligation"), payable in respect of the Equipment Project Allocable Portion of the then Outstanding Series 2018 Bonds at their maturity or earliest optional redemption date, if any, plus (ii) any Additional Rent and other amounts due and owing pursuant to Sections 3.1(a) and (b) hereof, including but not

limited to, escrow verification fees. The principal and interest as of each Lease Payment Date (based on the assumption that all other scheduled payments due on and prior to such date have been paid) with respect to the Equipment Project is as shown on Exhibit A which is attached hereto and which by this reference is made a part hereof as if set forth in full herein (which shall be amended in connection with the issuance of any additional Series of Refunding Bonds). All payments of Basic Rent which have been made by the County under the terms of Section 3.1(a) hereof prior to the date of the notice delivered by the County, as provided above, shall be credited toward the purchase price of the Equipment in arriving at the Purchase Option Price. The Purchase Option Price may be paid in such lesser amount such that, upon investment of all or a portion thereof in obligations described in subparagraph (a) of the definition of "Investment Securities" contained in Section 101 of the Resolution, the maturing principal of and interest on which (together with any uninvested cash) shall be sufficient to pay the Aggregate Debt Service Obligation, payable in respect of the Equipment Project Allocable Portion of the then Outstanding Series 2018 Bonds at their maturity or earliest optional redemption date, if any, plus Additional Rent and other amounts due and owing pursuant to clause (ii) hereof.

(c) Upon the exercise by the County of its option to purchase the Equipment (as evidenced by the deposit of the Purchase Option Price with the Trustee, as required by paragraph (b) above), the County shall have no further obligation under the terms of this Agreement; *provided, however*, that the provisions of Section 3.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such exercise. Upon the exercise of the County's option to purchase the Equipment, the Commission and the County shall take all necessary actions to authorize, execute and deliver any and all documents which are required to transfer the Commission's interest in the Equipment to the County.

SECTION 3.8. Transfer of Title to Equipment. In the event that the County has made payment of all Rentals, as provided in this Article III, throughout the Lease Term, or has exercised its option to purchase the Equipment, as provided in Section 3.7 hereof, and no Event of Default shall have occurred and be continuing, title to the Equipment shall be transferred to the County. Such transfer shall occur upon receipt by the Commission of notice from the Trustee of receipt by the Trustee of the final Rental Payment or the Purchase Option Price, as the case may be. In such event, this Agreement shall terminate and all of the rights, duties and obligations of the parties hereto shall cease as of the date of such notice, except that the provisions of Section 3.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such termination.

ARTICLE IV

LEASE TERM; RENEWAL

SECTION 4.1. Lease Term for Item(s) of Equipment. The Lease Term for all Items of Equipment shall terminate when the Equipment Project Allocable Portion of the Series

2018 Bonds are no longer Outstanding and when the County shall have paid to the Commission and the Trustee all Rentals and other amounts due and owing pursuant to the provisions of this Agreement, unless sooner terminated in accordance with the provisions of this Agreement for a reason other than the Default of the County of any obligation hereunder.

Notwithstanding the above, in the event the County fails to comply with the provisions of this Agreement, the Commission and the Trustee may pursue remedies in accordance with Article VII hereof.

SECTION 4.2. Effect of Noncompliance With Lease Provisions.

(a) Upon the occurrence of any Event of Default referred to in Section 7.1 hereof, the County shall return to the Commission each Item of Equipment for which the County is in default, or the Commission may, at its option and in its discretion, determine which Item of Equipment shall be returned to the Commission for sale in accordance with the provisions hereof and the County shall continue to be liable for (1) the payment of applicable Basic Rent with respect to each such Item of Equipment and Additional Rent scheduled to become due on any succeeding Lease Payment Date or upon demand, as applicable, (2) the payment of any general, special, incidental, consequential or other damages resulting from such Event of Default and (3) any other losses suffered by the Commission as a result of the County's failure to take such actions as required.

(b) If the County shall be required to return any Item of Equipment in the possession of the County to the Commission prior to the payment of all Basic Rent and Additional Rent pursuant to the provisions hereof, the County shall return the applicable Item of Equipment to the Commission at the location specified by the Commission, at the County's expense, in the condition, repair, appearance and working order that the County is required to maintain such Item of Equipment under this Agreement within ten (10) days of such request in accordance with the instructions of the Commission. Upon the Commission's receipt of the applicable Item of Equipment, the Commission may sell the same in such manner as it deems appropriate, and the County shall have no further rights whatsoever with respect thereto or claims against the Commission with respect to the sale thereof.

(c) Moneys from such sale (net of expenses incurred by the Commission in the sale thereof) shall be paid over to the Trustee and deposited in the Equipment Project Account of the Proceeds Fund and applied by the Trustee in accordance with the written direction of the Commission to be applied as a credit toward the payment of the County's Basic Rent obligations hereunder due on the next succeeding Lease Payment Date pursuant to Section 507 of the Resolution.

(d) Amounts remaining in the Equipment Project Account of the Proceeds Fund from the sale of Equipment after the application of moneys therein pursuant to paragraph (c) above and Section 507 of the Resolution shall be applied, at the direction of the

Commission, as a credit toward any other Additional Rent payments of the County due and owing prior to the termination of the Lease Term and final Equipment Project Allocable Portion of the Debt Service payment of the Series 2018 Bonds related thereto.

(e) In the event there are any moneys remaining in the Equipment Project Account of the Proceeds Fund from the sale of such Equipment after application of such moneys by the Trustee in accordance with paragraphs (b), (c) and (d) above and upon the termination of the Lease Term and final maturity of the Outstanding Equipment Project Allocable Portion of the Series 2018 Bonds, such moneys shall be paid to the County, upon receipt by the Trustee of a written directive of the Commission with respect thereto.

ARTICLE V

COVENANTS OF COUNTY

SECTION 5.1. Maintenance of Equipment. The County covenants and agrees that at all times during the Lease Term for each Item of Equipment, the County will, at the County's own cost and expense, maintain, preserve and keep each Item of Equipment in good repair, working order and condition in accordance with the Equipment manufacturer's recommended maintenance procedures, and that the County will make all necessary and proper repairs, replacements and renewals thereto. The Commission shall have no responsibility in any of these matters, or for the making of improvements or additions to each Item of Equipment.

SECTION 5.2. Taxes, Other Governmental Charges and Utility Charges. In the event the ownership, leasing, use, possession or acquisition of any Item of Equipment is found to be subject to taxation in any form, the County will pay during the related Lease Term, as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to any Item of Equipment and any equipment or other property acquired by the County permitted under this Agreement in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, any Item of Equipment, as well as all utility and other charges incurred in the operation, maintenance, use, preservation, occupancy and upkeep of any Item of Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as have accrued during the time the related Lease Term is in effect.

SECTION 5.3. Provisions Regarding Insurance. At its own expense, the County shall carry and maintain casualty, public liability and property damage insurance, or the County shall demonstrate to the satisfaction of the Commission, that adequate self-insurance is provided with respect to each Item of Equipment, sufficient in each case to replace such Item of Equipment and to protect the Commission from liability under all circumstances. The County agrees to maintain and the Commission agrees to accept

evidence of blanket insurance coverage which applies to all lease purchase agreements. All insurance policies shall provide that the Commission and the Trustee shall be provided with prior written notice of renewal or cancellation of such policy thirty (30) days prior thereto. If the County maintains a program of self-insurance for similar properties, the County may insure each Item of Equipment in its self-insurance program and shall provide an adequate insurance fund to pay losses. Notwithstanding the foregoing, if the County elects to self-insure Equipment acquired during the Lease Term, in the event the Equipment is damaged or destroyed, the County shall immediately pay over to the Commission all moneys for such damage or loss for deposit with the Trustee to be applied in accordance with Section 5.4 hereof.

Any insurance policy maintained pursuant to this Section 5.3 shall be so written or endorsed as to make losses, if any, payable to the County, the Commission and the Trustee, as their respective interests may appear. The Proceeds of the insurance required in this Section 5.3 shall be applied as provided in Sections 5.4 and 5.5 hereof.

SECTION 5.4. Damage, Destruction or Condemnation. If any Item of Equipment is destroyed or is damaged by fire or other casualty, or title to, or the temporary use of, such Item of Equipment shall be taken under the exercise of the power of eminent domain, the County shall, as long as the County is not in default under the provisions of this Agreement, within ninety (90) days after such damage, destruction or condemnation, elect one of the following two options by providing written notice of such election to the Commission and the Trustee:

(a) Option A - Repair, Restoration or Replacement. The County, the Commission and the Trustee will cause the Proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration or replacement (in which case such replacement of any Item of Equipment shall become subject to the provisions of this Agreement as fully as if it were the originally leased Item of Equipment) of such Item of Equipment. Any Proceeds received by the Commission shall be deposited in the Equipment Project Account of the Project Fund and be applied by the Trustee to complete the payment of the cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for the payment of the Cost of the Equipment from the Equipment Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of such Item of Equipment shall be transferred by the Trustee to the Equipment Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward the Basic Rent obligations of the County on any Lease Payment Date in accordance with Sections 503 of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on all Items of Equipment.

(b) Option B - Deposit to Equipment Project Account of the Proceeds Fund. The County, the Trustee and the Commission will cause the Proceeds of any insurance claim or condemnation award to be deposited in the Equipment Project Account of the

Proceeds Fund and the Trustee shall apply such Proceeds as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on all Items of Equipment.

(c) All interest earned or any gain realized on any moneys or investments in the Equipment Project Account of the Proceeds Fund shall be applied in accordance with the provisions of Section 507(6) of the Resolution.

In the event the County is in default under the provisions of this Agreement, the Commission, upon written direction of an Authorized Commission Representative to the Trustee, shall elect Option A or Option B in accordance with the provisions of this Section 5.4. The Commission shall provide written notice of such election to the County.

SECTION 5.5. Insufficiency of Proceeds. If the County elects to repair, restore or replace any Item of Equipment under the terms of Section 5.4(a) hereof and the Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the County shall complete the work and pay any Cost in excess of the amount of the Proceeds and the County agrees that, if by reason of any such insufficiency of the Proceeds, the County shall make any payments pursuant to the provisions of this Section 5.5, the County shall not be entitled to any reimbursement therefor from the Commission nor shall the County be entitled to any diminution or offset of the amounts payable under this Agreement.

SECTION 5.6. Advances. In the event the County shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep any Item of Equipment in good repair and operating condition, the Commission may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same, or make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Commission shall become immediately due and payable as Additional Rent, which amounts, together with interest at the highest rate permitted by State law until paid, the County agrees to pay to the Commission.

SECTION 5.7. Performance Bonds and Other Guaranty. In the event an advance, partial or progress payment is to be made with respect to any Item of Equipment pursuant to Section 2.5(g) hereof, the County shall cause the contractor or subcontractor qualified to do business in the State for such Item of Equipment to provide a performance bond or bonds, a letter of credit or any other form of financial guaranty covering with respect to such Item of Equipment (i) performance of the contract, and (ii) payment for labor and materials.

Any performance bond or bonds, letter of credit or other form of financial guaranty shall be executed by a responsible surety company qualified to do business in the State and shall in each case be in an amount not less than one hundred percent (100%) of the contract price. Any performance bond, letter of credit or other form of financial guaranty

provided pursuant to this Section 5.7 shall be made payable to the County and the Commission, as their respective interests may appear. The Proceeds from any performance bond provided pursuant to this Section 5.7 shall be paid over to the Trustee for deposit into the Equipment Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County hereunder in accordance with the provisions of Sections 507(1) and (2) of the Resolution.

SECTION 5.8. Net Lease. This Agreement shall be deemed to be and is construed to be a "net lease", and the County shall pay absolutely net during the Lease Term the Rentals and all other payments which are required to be made under the terms of this Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

SECTION 5.9. Compliance With Laws. The parties to this Agreement agree to comply with all laws of the State applicable to the performance of this Agreement.

SECTION 5.10. Covenant of County as to Compliance With Federal Tax Matters. Upon the advice of Bond Counsel to the Commission, the County covenants that it will take all actions which are within its control that are necessary to assure that interest on the Series 2018 Bonds is excludable from gross income for Federal income tax purposes and the County further covenants that it will refrain from taking any action that would cause the interest on the Series 2018 Bonds to be includable in gross income under the provisions of the Code. The County specifically covenants as to the following:

(a) Not more than ten (10%) percent of the Equipment Project Allocable Portion of the proceeds of the Series 2018 Bonds used to finance the Equipment Project (i) will be used for any private business use, and (ii) will be directly or indirectly (1) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (2) derived from payments in respect of property, or borrowed money, used or to be used for a private business use. If the Equipment Project Allocable Portion of the proceeds of the Series 2018 Bonds are to be used for any private business use which is not related or is disproportionate to the governmental use of the proceeds pursuant to Section 141(b)(3) of the Code, not more than five percent (5%) of the Equipment Project Allocable Portion of the proceeds of the Series 2018 Bonds used to finance the Equipment Project Allocable Portion are to be used for any private business use and not more than five percent (5%) of the Equipment Project Allocable Portion of the proceeds of the Series 2018 Bonds used to finance the Equipment Project are secured by any interest in property used or to be used for a private business or payments in respect of such property, or to be derived from payments in respect of property or borrowed money, used or to be used for a private business use. The County will not enter into any type of lease or management or service contract with respect to the Equipment unless it obtains an opinion of Bond Counsel that such agreement will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2018 Bonds.

(b) The Equipment will be used by the County for the provision of essential governmental services. The County covenants to so continue public ownership, operation and such public usage while the Equipment Project Allocable Portion of the Series 2018 Bonds are Outstanding, unless Bond Counsel has opined that a proposed change in ownership, operation or usage will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Equipment Project Allocable Portion of the Series 2018 Bonds.

(c) No part of the Equipment Project Allocable Portion of the proceeds of the Series 2018 Bonds used to finance the Equipment Project will be used to replace other funds of the County that were to be used for the Equipment Project and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Series 2018 Bonds.

(d) The County hereby covenants to comply with the arbitrage requirements of Section 148 of the Code and the rebate requirements imposed by Section 148(f) of the Code. To the extent any rebate must be paid with respect to the Equipment Project Allocable Portion of the Series 2018 Bonds, the County will promptly pay such amounts upon request of the Commission.

(e) Except as indicated herein, the County does not anticipate that it will pledge any other investments or establish or create any other fund which will be security for the Equipment Project Allocable Portion of the Series 2018 Bonds.

(f) The County has not been notified of any publication by the Internal Revenue Service listing it as an issuer whose certification as to expectations may not be relied upon with respect to its obligations.

(g) The County shall immediately notify the Commission of any failure to comply with the foregoing covenants of which it has actual knowledge.

SECTION 5.11. Representations and Warranties of County. The County represents and warrants as follows:

(a) It is a public body corporate and politic duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its governing body, it has duly authorized the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement and compliance with the provisions hereof will not conflict with or constitute on the part of the County a violation of, breach of or default under any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the County is bound or, to the knowledge of the County, any order, rule or regulation of any court or governmental

agency or body having jurisdiction over the County or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the consummation of the transactions contemplated hereby have been obtained.

(c) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2018 Bonds, there is no action, suit, proceeding or investigation at law or in equity pending against the County by or before any court or public agency or, to the knowledge of the County, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby, or which in any way would adversely affect the validity of this Agreement, or any agreement or instrument to which the County is a party (including the Commission Operations Agreement) and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) To its knowledge, no legislation has been enacted which in any way adversely affects the execution and delivery of this Agreement by the County, or the creation, organization or existence of the County or the titles to office of any officials thereof, or the power of the County to carry out its obligations under this Agreement.

(e) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2018 Bonds, the County is not a party to any indenture, loan or credit agreement or any other agreement, resolution, contract, instrument, pension plan, pension trust, employee benefit or welfare plan, or subject to any restriction which may reasonably be expected to have an adverse effect on its properties, assets, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Agreement.

(f) The County will, upon execution and delivery of this Agreement, deliver or cause to be delivered to the Commission an opinion of counsel to the County in substantially the form set forth in Exhibit H hereto.

SECTION 5.12. County Budget and Notice of Appropriation for Lease Payments.

(a) The County covenants that in each Fiscal Year of the Lease Term, it will include in its annual budget the Rentals which are due and payable or which will become due and payable during such Fiscal Year under the terms of this Agreement.

(b) By execution hereof, the County expressly acknowledges the Commission's right, but not its obligation, to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel the County to provide an appropriation for Lease Payments due under this Agreement.

(c) The County shall also notify the Trustee and the Commission of any change in the Fiscal Year of the County within ten (10) Business Days of the adoption of the authorization therefor by the governing body of the County.

SECTION 5.13. Third-Party Beneficiary. The County and the Commission by the execution hereof acknowledge that the covenants, representations and warranties set forth herein are for the benefit of the Trustee.

SECTION 5.14. Continuing Disclosure. In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2019 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, and (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

ARTICLE VI

TITLE

SECTION 6.1. Title To Equipment. During the Lease Term, title to the Equipment and any and all additions, repairs, replacements or modifications thereto shall be in the name of the Commission.

SECTION 6.2. Liens. During the Lease Term of each Item of Equipment, the County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to such Item of Equipment, and the respective rights of the Commission and the County as herein provided. The County shall reimburse the Commission for any expense incurred by the Commission in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 6.3. Personal Property. Each Item of Equipment is and shall at all times be and remain personal property notwithstanding that such Item of Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any improvement thereon.

SECTION 6.4. Use of the Equipment. The County will not install, use, operate or maintain any Item of Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. The County shall provide all permits and licenses, if any, necessary for the installation and operation of each Item

of Equipment. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Item of Equipment) with all laws of the jurisdictions in which its operations involving any Item of Equipment may extend and with all regulations, orders and decrees of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over any Item of Equipment; *provided, however*, that the County, at its sole cost and expense, may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not adversely affect the interest or rights of the Commission in and to any Items of Equipment or its interest or rights under this Agreement, provided the County so notifies the Commission.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 Events of Default. An "Event of Default" or a "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the County to pay or cause to be paid when due the payments which are required to be made under the provisions of Section 3.1(a) hereof;

(b) Failure by the County to pay or cause to be paid when due any payments which are required to be made under the provisions of this Agreement (other than payments required to be made under Section 3.1(a) hereof), which failure shall continue for a period of thirty (30) days after written notice thereof, specifying such failure and requesting that it be remedied, is given to the County by the Commission or the Trustee;

(c) Failure by the County to observe and perform any covenant, condition or agreement which is required to be observed or performed by it (other than as referred to in paragraphs (a) and (b) of this Section 7.1 hereof and in Section 5.14 hereof), which failure shall continue for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the County by the Commission or the Trustee, unless the notifying party shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by or on behalf of the County within the applicable period and is diligently pursued until the default is remedied;

(d) The filing of a petition by or against the County under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Agreement or thereafter enacted, unless in the case of any such petition filed against the County, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property or assets

shall be appointed by court order or take possession of the County or its property or assets if such order remains in effect or if such possession continues for more than thirty (30) days; or

(e) Any sale of all or a portion of the Equipment or any termination of any Lease Term of any Item of Equipment provided the County has not elected to terminate this Agreement pursuant to the provisions of Section 3.7 hereof.

SECTION 7.2. Remedies. Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and shall be continuing, any one or more of the following remedial steps may be taken, provided that, where applicable, prior written notice of the Default has been given to the County by the Commission or by the Trustee and the Default has not been cured:

(a) The Commission may take possession of each Item of Equipment to which a Default applies without terminating this Agreement and sell such Equipment for the account of the County, and shall continue to hold the County liable for the Rental Payments due and owing to the Commission under this Agreement;

(b) The Commission may accelerate the Rental Payments owed by the County for each Item of Equipment, holding the County liable for all Rentals and other amounts due to the Commission under the terms of this Agreement; and

(c) The Commission may take whatever action at law or in equity may appear to be necessary or desirable in order to collect the payments which are then due and payable and thereafter to become due and payable, or to enforce the performance and observance of any obligation, agreement or covenant of the County under the terms of this Agreement.

Any amounts which are collected pursuant to action taken under this Section 7.2 shall be applied in accordance with the provisions of the Resolution. If the Resolution has been discharged and all costs of the Commission, if any, shall have been paid, any remaining amounts collected pursuant to actions taken under paragraph (c) of this Section 7.2 shall be paid to the County by the Trustee.

SECTION 7.3. Reinstatement. Notwithstanding the provisions of Sections 4.1, 4.2 and 7.2 hereof if, after the acceleration of the Rental Payments upon occurrence of an Event of Default, all arrears of interest on such overdue Rental Payments and the Rental Payments which have become due and payable otherwise than by acceleration, and all other sums payable under this Agreement, except Rental Payments due and payable as a result of acceleration, shall have been paid by or for the account of the County or provision satisfactory to the Trustee shall have been made, all other things shall have been performed in respect of which there was a Default or provision deemed by the Trustee to be adequate shall be made therefor and there shall have been paid the reasonable fees and expenses, including Additional Rent and the Equipment Project

Allocable Portion of the Commission Administrative Expenses (including reasonable attorneys' fees paid or incurred), if any, and such acceleration under this Agreement is rescinded, the Trustee shall waive the County's Default without further action by the Commission and the Commission and the Trustee shall be restored to their former positions and rights under the Resolution. Upon such payment and waiver, this Agreement shall be fully reinstated as if it had never been accelerated. No such restoration of the Commission and the Trustee shall extend to or affect any subsequent Default under the Resolution or impair any right consequent or incidental thereto.

SECTION 7.4. Payment Deficiencies. If an Event of Default referred to in Section 7.1(a) hereof shall have happened and be continuing and there remains outstanding Basic Rent payments which have not been paid to the Trustee pursuant to the terms of this Agreement (which determination shall be made by the Trustee as at the close of business on any Lease Payment Date), the Trustee, on behalf of the Commission, shall notify the County and the Commission, in writing not later than 3:00 p.m. on such Lease Payment Date, of the failure of the County to pay its Basic Rent on the Lease Payment Date, which notice shall state the amount of any such deficiency, the date by which the deficiency must be cured by the County (which date shall not be later than the Bond Payment Date). Notwithstanding the above, the Commission and the Trustee shall undertake all diligent efforts to pursue the County and cause it to pay all amounts due and owing to the Commission under this Agreement prior or subsequent to any Bond Payment Date.

SECTION 7.5. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Commission or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement 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 any default hereunder shall impair any such right or power or shall be construed to be a waiver hereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Commission or the Trustee to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 7.6. No Additional Waiver Implied By One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VIII

SALE, ASSIGNMENT, SUBLEASING AND SUBSTITUTION CONVEYANCE OF EQUIPMENT TO COUNTY

SECTION 8.1. Sale, Assignment, Subleasing or Substitution by County.

(a) Neither this Agreement nor the interests of the County in any Item of Equipment may be sold, assigned or subleased by the County.

(b) As contemplated by this Agreement, a portion of the Costs of the Equipment set forth in Exhibit B will be initially financed with Series 2019 Note proceeds; provided, however, that, prior to the County's delivery of a Completion Certificate for any Item of Equipment, the County may, for any reason, elect to substitute one or more other Items of Equipment for the Items of Equipment that were previously contemplated; provided, however, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized County Representative expressing the County's intent to substitute Items of Equipment pursuant to this Agreement and to the effect that (A) the aggregate value of all Items of Equipment financed with proceeds of the applicable Series of Series 2018 Bonds for which an acceptance certificate has been delivered plus the value of the new Items of Equipment to be acquired and installed with proceeds of the applicable Series of Series 2018 Bonds is equal to at least 100% of the amount of Bond proceeds of the applicable Series of Series 2018 Bonds initially deposited in the Equipment Project Account of the Project Fund established for the Equipment pursuant to the Resolution, (B) the estimated weighted average useful life of all the Items of Equipment to be acquired hereunder with proceeds of the applicable Series of Series 2018 Bonds after the substitution is equal to or greater than the weighted average useful life of all the Items of Equipment at the time of issuance of the applicable Series of the Series 2018 Bonds, (ii) a new Exhibit B to this Agreement setting out the new Items of Equipment to be acquired, (iii) a Counsel's Opinion (as defined in the Resolution) to the effect that each of such substitutions and this Agreement, as supplemented thereby, is in compliance with all applicable laws, and that the financing of such new Items of Equipment falls within the corporate powers of the Commission, and (iv) an opinion of nationally recognized Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Series 2018 Bonds from the gross income of the owners thereof for Federal income taxation purposes. In addition, the County shall cause a Substitution Certificate substantially in the form set forth in Exhibit G hereto to be executed by an Authorized County Representative, and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), and which shall be delivered and filed with the Commission and the Trustee, which certificate shall reflect the substitution of the Items of Equipment previously set forth in Exhibit B hereto. The County may not elect to substitute or exchange Equipment for an Item of Equipment pursuant to this Agreement for which the County has furnished to the Trustee an acceptance certificate. To the extent excess Series B Bond proceeds remain in the Equipment Project Account of the Project Fund established for the Equipment pursuant to the Resolution after all of the Items of Equipment set forth in Exhibit B hereto to be financed with proceeds of the applicable Series of Series 2018 Bonds have been acquired or completed, the County may apply such excess proceeds to the acquisition, construction and installation of additional Items of Equipment, but such application may only occur if the Trustee shall have received (i) a Certificate of an Authorized County

Representative expressing the County's intent to add Items of Equipment pursuant to this Agreement, (ii) a Counsel's Opinion that is satisfactory to the Commission to the effect that each such addition and this Agreement, as supplemented thereby, is in compliance with all applicable laws and that the financing of such new Items of Equipment falls within the corporate powers of the Commission, and (iii) an opinion of nationally recognized Bond Counsel to the effect that such addition will not adversely affect the exclusion of interest on any Series of Series 2018 Bonds from the gross income of the owners thereof for Federal income taxation purposes

(c) Notwithstanding the above, if the County is not able to deliver an Item of Equipment or make arrangements for its substitution or addition as provided herein, the portion of the proceeds of the Equipment Project Allocable Portion of the Series 2018 Bonds allocated to such Item of Equipment shall be transferred into the Equipment Project Account of the Debt Service Fund and used to make Debt Service payments on the Equipment Project Allocable Portion of the Series 2018 Bonds on each Lease Payment Date in accordance with Sections 503 of the Resolution. The County shall continue to be liable hereunder for all Basic Rent payments necessary to amortize Debt Service on the Equipment Project Allocable Portion of the Series 2018 Bonds (net of the amount of the Equipment Project Allocable Portion of the Series B Bond proceeds allocated to the County so applied) and Additional Rent.

SECTION 8.2. Option to Purchase Equipment. If the County shall have paid all amounts due and owing under this Agreement including Additional Rent and shall have cured any and all Defaults under this Agreement, the County shall have and may exercise, at the time of the expiration of the Lease Term applicable to any Item of Equipment, the option to purchase such Item of Equipment under the provisions of this Section 8.2 upon payment to the Commission, net of any expenses of sale, of the purchase price therefor. The purchase price payable for each Item of Equipment shall be the sum of One Dollar (\$1.00). The option shall have been deemed to have been exercised by the County if the County shall include in its final Lease Payment the additional sum of \$1.00 for each Item of Equipment. If the County does not want to purchase the Item of Equipment it shall not include the \$1.00 option payment in its final Lease Payment. In such event and upon the surrender of possession of such Item of Equipment to the Commission, the Commission may, or may direct the County to sell or dispose of each such Item of Equipment not so purchased. The proceeds received by the Commission or paid over to the Commission from the County from such sale shall be paid over to the Trustee and shall be deposited in the Equipment Project Account of the Proceeds Fund and shall be applied by the Trustee in accordance with Section 507 of the Resolution.

SECTION 8.3. Date of Settlement. Within thirty (30) days after the payment of the purchase price by the County, the Commission shall, upon receipt of written direction from the County, contemporaneously convey to the County all of the Commission's right, title and interest in and to such Item of Equipment by such legal instruments required therefor. The County shall bear all costs and expenses in connection with the preparation of the

documents of conveyance and the delivery thereof and all fees, assessments, taxes and charges payable in connection with the conveyance of title to such Item of Equipment.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Surrender of Possession. Except as otherwise expressly provided in this Agreement upon the termination of the Lease Term as a result of the occurrence of an Event of Default under the terms of Article VII hereof, the County hereby agrees to surrender possession of each Item of Equipment peacefully and promptly to the Commission in as good condition as at the commencement of the Lease Term, except for loss by fire or other casualty covered by insurance, condemnation and ordinary wear, tear and obsolescence only excepted. Notwithstanding the above, at the election of the Commission, the Commission shall either sell or dispose of such Item of Equipment or require the County to sell or dispose of such Item of Equipment. In any event, the County shall pay the cost of selling or disposing of the same.

SECTION 9.2. Successors and Assigns. This Agreement shall inure to the benefit of the County, the Commission, the Trustee and their respective successors and assigns and shall be binding upon the County and the Commission and their respective successors and assigns.

SECTION 9.3. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.4. Amendments.

(a) This Agreement may be amended upon the written consent of the County and the Commission; *provided, however*, that, except as provided below, no such amendment shall be effective without a Counsel's Opinion (as defined in the Resolution) if, in the judgment of the Trustee, such amendment adversely affects the rights of the Holders of the Series 2018 Bonds which are Outstanding at the time of such amendment.

(b) Notwithstanding anything herein to the contrary, this Agreement may be amended under all circumstances to provide for a change in the description of the Equipment in accordance with the provisions of Article VIII hereof.

SECTION 9.5. Amounts Remaining Under Resolution. It is agreed by the parties hereto that upon the expiration or sooner termination of the Lease Term, as provided in this Agreement, after payment in full of the Equipment Project Allocable Portion of the Outstanding Series 2018 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Resolution) and all Rental Payments due hereunder and the fees, charges and expenses of the Fiduciaries and the Commission in

accordance with the provisions of the Resolution and this Agreement, any amounts which are remaining in any Equipment Project Account of any Fund created under the terms of the Resolution shall belong to, and be paid by the Commission (after receipt from the Trustee) to, the County.

SECTION 9.6. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.7. Notices. All notices, demands or other communications provided for in this Agreement shall be in writing and shall be delivered personally, by facsimile transmission (with written confirmation of receipt) in accordance herewith and sent by certified or registered mail, personal delivery or recognized overnight delivery to: (i) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065, Attn: Executive Director, (ii) the Trustee at TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034, Attn: Corporate Trust Services, and (iii) the County at 49 Rancocas Road, Mount Holly, New Jersey 08060, Attn: County Treasurer, or to such other representatives or addresses as the Commission, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

SECTION 9.8. Headings. The Article and Section headings in this Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 9.9. Non-Waiver. It is understood and agreed that nothing contained in this Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Agreement.

SECTION 9.10. Survival of Agreement. Notwithstanding anything herein to the contrary, the provisions of Sections 3.2 (to the extent permitted by State law), 5.3 and 5.10 hereof shall survive the expiration of the Lease Term and the final maturity of the Equipment Project Allocable Portion of the Series 2018 Bonds.

SECTION 9.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest:

BURLINGTON COUNTY
BRIDGE COMMISSION

By: _____
Secretary

By: _____
Authorized Commission Representative

(SEAL)

Attest:

COUNTY OF BURLINGTON,
NEW JERSEY

By: _____
Clerk of the Board of Chosen
Representative
Freeholders

By: _____
Authorized County

EXHIBIT A

BASIC RENT PAYMENT SCHEDULE
(EQUIPMENT PROJECT ALLOCABLE PORTION OF THE Series 2018 Bonds)

<u>Lease Payment</u> <u>Date</u>	<u>Basic Rent</u> <u>Principal Amount</u>	<u>Basic Rent</u> <u>Interest Amount</u>	<u>Basic Rent</u> <u>Total</u>
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EXHIBIT B

DESCRIPTION OF EQUIPMENT AND LEASE TERM

<u>Equipment</u>	<u>Date Acquired</u>	<u>Acquisition Cost</u>	<u>Lease Term</u> <u>(Years)</u>
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EXHIBIT C

ACCEPTANCE CERTIFICATE Requisition Ref. No. 2018- _____

I, the undersigned Authorized County Representative, DO HEREBY CERTIFY pursuant to and in accordance with the terms of the Equipment Lease and Agreement between the Burlington County Bridge Commission (the "Commission") and the County of Burlington, New Jersey (the "County"), dated _____, 2019 (the "Agreement"), as follows (capitalized terms shall have the meaning set forth in the Agreement):

1. The County, on behalf of the Commission, has acquired the Item of Equipment described in Exhibit B or Exhibit G, as applicable, to the Agreement, the general description of which is:

2. Attached hereto is all necessary legal documentation evidencing title to the Item of Equipment in the name of the Commission in accordance with the provisions of Section 2.3(e) of the Agreement.

3. Such Item of Equipment meets the County's specifications therefor, has been procured and delivered in compliance with the Local Public Contracts Law and all applicable laws of the State to the County's satisfaction (or is in compliance with the manufacturer's contract), and is in good repair and working order. This Certificate constitutes the Acceptance Certificate for such Item of Equipment.

4. The amount of purchase price for the Item of Equipment is \$_____. Attached hereto is a Requisition for payment of such Item of Equipment in accordance with the provisions of Section 2.3(c) of the Agreement (Exhibit E to be completed and attached). Such amount is authorized by the Agreement to be withdrawn from the Equipment Project Account of the Project Fund and such amount is the correct amount as specified in the manufacturer's contract.

5. As required by Section 5.3 of the Agreement, attached hereto is either (A) evidence of insurance for the Item of Equipment or (B) the County's blanket insurance policy which applies to the Item of Equipment. The insurance policy is written or endorsed to make losses, if any, payable to the County, the Commission and the Trustee as their respective interests may appear.

6. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON, NEW
JERSEY

By: _____
Authorized County Representative
Name: _____
Title: _____

Dated: _____

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Acceptance Certificate.

BURLINGTON COUNTY BRIDGE
COMMISSION

By: _____
Authorized Commission Representative
Name: _____
Title: _____

Dated: _____

EXHIBIT D

REQUISITION FOR ADVANCE/PARTIAL/PROGRESS PAYMENTS

Requisition Ref. No. 2018- _____

Partial Payment No. _____

I, the undersigned Authorized County Representative, DO HEREBY CERTIFY pursuant to and in accordance with the terms of the Equipment Lease and Agreement between the Burlington County Bridge Commission (the "Commission") and the County

of Burlington, New Jersey (the "County"), dated _____, 2019 (the "Agreement"), as follows (capitalized terms shall have the meaning set forth in the Agreement):

1. The County, on behalf of the Commission, has executed a contract with a vendor to acquire the Item of Equipment described in Exhibit B or Exhibit G, as applicable, to the Agreement, the description of which and to which this partial Requisition relates is as follows: (include the description and invoice or billing reference):

2. Attached hereto is all necessary documentation to evidence the necessity of making progress payments for such Item of Equipment pursuant to Section 2.5(g) of the Agreement.

3. Attached hereto is a copy of the contractor's performance bond, letter of credit or other form of financial guaranty with respect to such Item of Equipment in an amount equal to 100% of the contract price as required by Section 5.7 of the Agreement.

4. Such Item of Equipment meets the County's specifications therefor, has been procured in compliance with the Local Public Contracts Law and all applicable laws of the State.

5. In the event the requisition being submitted by the County is to request and authorize final payment for the Item of Equipment described in Paragraph 1 hereof, please attach a completed Acceptance Certificate (Exhibit C) evidencing acceptance of the same by the County.

6. The purchase price for the Item of Equipment is \$ _____. Such amount is authorized by the Agreement to be withdrawn from the Equipment Project Account of the Project Fund and such amount is the correct amount as specified in the manufacturer's contract.

7. The name and address of the Person, firm or corporation to whom payment is due is:

8. \$ _____ is the amount necessary to partially pay the Cost of such Item of Equipment and is the amount to be paid to such Person, corporation or firm. The

amount which has been partially prepaid to date for the Item of Equipment is \$ _____ and the amount remaining to be paid is \$ _____.

9. \$ _____ is the amount stated as being required to pay the Cost of such Item of Equipment as originally specified in Exhibit B or Exhibit F, as applicable, to the Agreement.

10. Based upon the attached approval of the County, \$ _____ is the amount of money the County has agreed to pay and has forwarded said amount by check to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to fund the balance of the Cost of the Equipment (Attach copy of check for Trustee and copy of the check for the Commission).

11. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Authorized County Representative
Name: _____
Title: _____

Dated: _____

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY
BRIDGE COMMISSION

By: _____
Authorized Commission
Name: _____
Title: _____

Representative

Dated: _____

EXHIBIT E

REQUISITION FOR PAYMENTS FROM EQUIPMENT PROJECT ACCOUNT OF
PROJECT FUND
(Requisition Ref. No. 2018-_____)

(To be Used in Conjunction with Exhibit C)

I, the undersigned Authorized County Representative DO HEREBY CERTIFY pursuant to and in accordance with the terms of a resolution of the Burlington County Bridge Commission (the "Commission") "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2018 Governmental Leasing Program), Series 2019", duly adopted _____, 2019 (the "Resolution") as follows (capitalized terms shall have the meaning set forth in the Equipment Lease and Agreement between the Commission and the County of Burlington, New Jersey (the "County"), dated _____, 2019 (the "Agreement")):

- 1. This requisition is Requisition Ref. No. 2018 - _____.
- 2. The name and address of the Person, firm or corporation to whom payment is due is:

3. The amount to be paid to such Person, firm or corporation named in Paragraph 2 above is \$_____.

4. The Item(s) of Equipment to which this Requisition relates is

Include description and invoice or billing reference.

5. \$_____ is the amount necessary to pay the Cost of such Item of Equipment.

6. \$_____ is the amount stated as being required to pay the Cost of such Item of Equipment as originally specified in Exhibit B or Exhibit G, as applicable, to the Agreement.

7. Based upon the attached approval of the County, \$_____ is the amount of money the County has agreed to pay and has forwarded said amount by check

to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to fund the balance of the Cost of the Equipment (Attach copy of check for Trustee and copy of the check for the Commission).

8. The useful life of the Item(s) of Equipment as set forth on Exhibit B of the Agreement is:

<u>Equipment</u>	<u>Useful Life</u>
_____	_____
_____	_____

9. Each obligation, item of cost or expense mentioned herein has been properly incurred, is an item of Cost and is a proper charge against the Equipment Project Account of the Project Fund and has not been the basis of any previous withdrawal.

10. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON, NEW
JERSEY

By: _____
Authorized County Representative
Name: _____
Title: _____

Dated: _____

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY
BRIDGE COMMISSION

By: _____
Authorized Commission
Representative
Name: _____
Title: _____

Dated: _____

EXHIBIT F

CERTIFICATE AS TO AUTHORIZED
COUNTY REPRESENTATIVE

I, _____, the duly elected and acting Director of the Board of Chosen Freeholders of the COUNTY OF BURLINGTON, NEW JERSEY (the "County"), a municipal corporation of the State of New Jersey, DO HEREBY CERTIFY that I am duly authorized under the Agreement (as hereinafter defined) to execute and deliver this Certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY as follows:

- 1. _____ is the Treasurer of the County.
- 2. _____ is the Chief Financial Officer of the County.
- 3. _____ is the Administrator/Board Clerk of the County.

4. The following individual(s) have each been designated as Authorized County Representatives in accordance with the provisions of the Agreement and each are duly qualified, empowered and authorized so to act on behalf of the County and to deliver documents on behalf of the County.

<u>Name</u>	<u>Signature</u>
_____	_____
_____	_____
_____	_____

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in an Equipment Lease and Agreement dated November ____, 2019 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2019.

COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Name:
Title: Freeholder Director

EXHIBIT G

CERTIFICATE FOR SUBSTITUTION OF EQUIPMENT

The undersigned Authorized County Representative of the COUNTY OF BURLINGTON, NEW JERSEY hereby requests the substitution of certain Items of Equipment contained in the Equipment Lease and Agreement executed by and between the County of Burlington, New Jersey (the "County") and the Burlington County Bridge Commission (the "Commission") and dated _____, 2019 (the "Agreement") and that upon the filing of this Certificate with the County, the Commission and the Trustee, Exhibit B to the Agreement shall be modified to reflect the changes in Items of Equipment being purchased by the County as set forth below:

1. The Equipment originally listed in Exhibit B to the Agreement is: (identify each piece of equipment and its cost as described in Exhibit B);

2. The Equipment which is to be substituted and which is to be reflected in Exhibit B to the Agreement is: (identify each item of equipment and the cost of the equipment to be substituted) (make sure that each piece of equipment being substituted corresponds to the equipment originally listed on Exhibit B on a piece by piece basis).

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the County
this _____ day of _____, 20__.

COUNTY OF BURLINGTON, NEW
JERSEY

By: _____
Authorized County Representative
Name: _____
Title: _____

Dated: _____

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Certificate for Substitution of Equipment.

BURLINGTON COUNTY
BRIDGE COMMISSION

Representative

By: _____
Authorized Commission
Name: _____
Title: _____

Approval Dated: _____

EXHIBIT H

FORM OF OPINION OF GENERAL COUNSEL OR
BOND COUNSEL TO THE COUNTY

Burlington County Bridge Commission
Palmyra, New Jersey

County of Burlington, New Jersey
Mount Holly, New Jersey

Malamut and Associates
Cherry Hill, New Jersey

[Underwriter]
[Address]

Re: The Burlington County Bridge Commission
\$ _____ Lease Revenue Bonds (2018 Governmental Leasing
Project), Series 2019

Ladies and Gentlemen:

We have acted as counsel to the County of Burlington, New Jersey (the "County"), a body duly formed and organized under the laws of the State of New Jersey (the "State"), in connection with, among other things, the authorization, execution and delivery by the County of the Equipment Lease and Agreement, dated _____, 2019 (the "Lease"), between the Burlington County Bridge Commission (the "Commission") and the County and the adoption on 2018-00334 of an ordinance authorizing the execution and delivery of the Lease (the "Ordinance"). All capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Lease.

As counsel to the County and based upon our review of the aforementioned documents and such other certificates, documents, proceedings and questions of law as we have considered necessary to enable us to render this opinion, we are of the following opinion:

(a) the County is a body politic and corporate of the State duly organized and existing under the laws of the State;

(b) the County has full legal right and power and is authorized to enter into and to perform its obligations under the Lease and to finally adopt the Ordinance;

(c) the County has duly authorized all necessary action to be taken by it for the execution, delivery and performance of the Lease and the final adoption of the Ordinance;

(d) the execution, delivery and performance by the County of the terms of the Lease and the adoption and performance of the Ordinance does not and will not contravene any provision of existing law or regulation and will not conflict with, or result in the breach of the terms, conditions or provisions of any agreement of the County, or constitute a default under or result in or permit the creation or imposition of any lien, charge or encumbrance upon any of the properties of the County pursuant to any indenture, mortgage or other agreement or instrument to which the County is a party or by which its assets are bound other than the liens created by the Lease;

(e) the Lease has been duly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by the Commission, is a legal, valid and binding obligation of the County enforceable against the County in accordance with its terms;

(f) all consents, approvals or authorizations of any governmental authority required on the part of the County in connection with the execution, delivery and performance of the terms of the Lease and the adoption of the Ordinance have been duly obtained, and the County has complied with all applicable provisions of law requiring any designation, declaration, filing, registration and/or qualification with any governmental authority in connection with such execution, delivery and performance;

(g) the County is in compliance with all provisions of all constitutions, statutes, rules regulation and orders of all governmental and nongovernmental bodies, all governmental approvals and all orders, judgments and decrees of all courts and arbitrators with respect to the performance of its obligations under the Lease and the Ordinance;

(h) To our knowledge, there is no controversy or litigation of any nature now pending or threatened against the County restraining or enjoining the authorization, execution or delivery by the County of the Lease, or in any way contesting or affecting the validity of the Lease, or any proceedings of the County taken with respect to the authorization, execution or delivery thereof, or the existence or powers of the County related to the authorization, execution and delivery of the Lease. To our knowledge, there is no litigation pending or threatened, in any court wherein an adverse decision would have a material adverse impact on the financial position of the County or its ability to pay, or to provide for payment under, the Lease; and

(i) all action taken by the County in connection with the authorization, execution and delivery of the Lease and in connection with the authorization and adoption of the Ordinance have been in compliance in all respects with the provisions of the State Constitution and applicable laws, including, *inter alia*, Chapter 231 of the laws of the State of 1975, as amended, the New Jersey Open Public Meetings Law.

The opinions expressed above are qualified to the extent that we express no opinion as to the effect of, or restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws, judicial decisions and principles of equity affecting creditors' rights generally and judicial discretion, and the valid exercise of the sovereign police powers of the State of New Jersey and of the United States of America, and we express no opinion as to the availability of any particular remedy.

This opinion is furnished to you by us solely for your benefit and may not be used or quoted, in whole or in part, to others nor relied upon by others, without our express prior written consent.

Commissioner Singleton moved to approve. Chairman Comegno seconded the motion. The motion passed unanimously.

RESOLUTION NO. 2019-65

RESOLUTION AUTHORIZING IMPROVEMENT LEASE AND AGREEMENT BETWEEN THE BURLINGTON COUNTY BRIDGE COMMISSION AND THE COUNTY OF BURLINGTON, NEW JERSEY.

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THIS IMPROVEMENT LEASE AND AGREEMENT (the "Agreement"), dated _____, 2019, by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

WITNESSETH:

WHEREAS, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Commission is authorized by the Act to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease same to governmental units, including the County; and

WHEREAS, at the request of the County, the Commission has determined to temporarily finance the costs of, *inter alia*, a project (the "Improvement Project") consisting of the design, acquisition, construction, and installation of certain capital infrastructure improvements for the County, all as more fully described in the County's 2018 Capital Budget and in Exhibit A to this Agreement (collectively, the "Improvements"), with a portion of the proceeds of its Lease Revenue Notes (2018 County Leasing Program), Series 2019 in the aggregate principal amount of \$_____ (the "Series 2019 Notes"); and

WHEREAS, the Improvements will be acquired, constructed and installed on certain real property located in the County (the "Real Property") described as such in Exhibit A attached hereto and the existing buildings thereon and existing improvements thereto which shall, pursuant to the terms of this Agreement, be leased by the County to the Commission and upon which the Improvements will be constructed by the County and leased by the Commission to the County pursuant to the terms hereof for so long as the Improvement Project Allocable Portion of the Series 2018 Bonds remain Outstanding (as such term is defined in the hereinafter defined Resolution); and

WHEREAS, the Commission has, by a resolution entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2018 County Leasing Program), Series 2019", duly adopted October __, 2019, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof (the "Resolution"), authorized the issuance of, *inter alia*, Lease Revenue Bonds or Notes, including the Series 2019 Notes, from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Improvements; and

WHEREAS, the principal portion of the Series 2018 Bonds initially issued as Series 2019 Notes allocable to the Improvement Project is \$_____ (the "Improvement Project Allocable Portion"); and

WHEREAS, all actions necessary and required under the Act for the due execution, delivery and performance of this Agreement have been taken by the Commission and the County; and

WHEREAS, the County has determined to lease the Improvement Project from the Commission pursuant to the terms and conditions set forth herein; and

WHEREAS, the Commission will, pursuant to and in accordance with the terms of the Act, provide for the payment of the costs of, *inter alia*, the Improvement Project through the issuance of the Series 2018 Bonds and the Debt Service (as hereinafter defined) on the Series 2018 Bonds shall be payable in part from Rentals (as hereinafter defined) representing the Improvement Project Allocable Portion to be received from the County pursuant to the terms and conditions set forth herein; and

WHEREAS, the Commission and the County agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of this Agreement pursuant to the powers conferred by the Act.

NOW, THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.1. Definitions. The terms that are set forth in this Section shall, unless the context clearly requires otherwise, have the meanings which are set forth below. Terms that are used as defined terms herein but which are not defined herein shall have the meanings which are assigned to such terms in the Resolution (as hereinafter defined). Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"2018 Capital Plan" shall mean the capital budget approved by the County which identifies certain items of equipment and Improvements to be undertaken by or on behalf of the County with an aggregate value that does not exceed \$76,000,000, as same may be amended from time to time.

"Act" shall mean the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State (*N.J.S.A. 27:19-26, et seq.*), and the acts amendatory thereof and supplemental thereto.

"Additional Rent" shall mean all amounts payable by the County to the Commission pursuant to Section 5.1(b) hereof including, but not limited to, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, any amounts in excess of Basic Rent necessary to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2018 Bonds, all costs and expenses incurred in connection with any purchase of the Improvements constituting the Improvement Project by the County prior to expiration of the Lease Term including reasonable attorneys' fees and verification fees, and all direct and indirect costs and expenses incurred by the Commission and the

Trustee related to the enforcement of this Agreement, including reasonable attorneys' fees related thereto.

"Aggregate Debt Service Obligation" shall have the meaning assigned to such term in Section 5.7(b) hereof.

"Agreement" shall mean this Improvement Lease and Agreement, dated _____, 2019, by and between the Commission and the County, and any and all modifications, alterations, amendments and supplements hereto which are made in accordance with the provisions hereof and the provisions of the Resolution.

"Authorized Commission Representative" shall mean the Chairman, Vice Chairman, Treasurer, Executive Director or any other Person or Persons authorized to act on behalf of the Commission by a written certificate signed on behalf of the Commission by the Chairman or Vice Chairman of the Commission, containing the specimen signature of each such Person.

"Authorized County Representative" shall mean any Person or Persons authorized to act on behalf of the County by a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of Chosen Freeholders, the County Treasurer or the County Chief Financial Officer and containing the specimen signature of each such Person which form of certificate is set forth as Exhibit E annexed hereto and incorporated by this reference herein.

"Authorizing Instrument" shall mean Ordinance No. 2015-00668 duly adopted by the Board of Chosen Freeholders of the County on November 12, 2015 approving and authorizing the execution and delivery of, *inter alia*, this Agreement.

"Basic Rent" shall mean (i) the sum of money representing principal and interest necessary to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2018 Bonds, payable by the County on each Lease Payment Date, as set forth in Exhibit B annexed hereto (as same may be amended in connection with the issuance by the Commission of an additional Series of B Bonds, if any) and incorporated by this reference herein and as described in Section 5.1(a) hereof, and (ii) the sum of money required to pay the Improvement Project Allocable Portion of the Redemption Price (as defined in the Resolution), if any, to the extent required to redeem the Series 2018 Bonds pursuant to Article IV of the Resolution.

"Bond Counsel" shall mean such lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Commission.

"Bonds" shall mean the Outstanding Series 2018 Bonds of the Commission authorized and issued pursuant to Article II of the Resolution, including the Series 2019 Notes.

“Business Day” shall mean any day that is not a Saturday, Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Registrar, any Paying Agent, the Commission or the County is legally authorized to close.

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

“Commission” shall mean the Burlington County Bridge Commission, a public body corporate and politic of the State organized and existing under the Act and created pursuant to a resolution of the Board of Chosen Freeholders of the County adopted on October 22, 1948, and any successor to its duties and functions.

“Commission Administrative Expenses” shall mean the Improvement Project Allocable Portion of any and all expenses of the Commission and its agents, professionals and employees incurred or to be incurred by or on behalf of the Commission in the administration of its responsibilities under the Resolution and this Agreement including, but not limited to, (i) the Initial Commission Financing Fee, (ii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of the Series 2018 Bonds, the financing of the Improvement Project or the compelling of the full and punctual performance of the Resolution and this Agreement in accordance with the terms thereof and hereof, and (iii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Registrar, the Trustee or any other Fiduciaries and their counsel in connection with the performance of their respective fiduciary responsibilities under the Resolution and this Agreement, all to the extent not capitalized pursuant to the requirements of the Resolution, which Improvement Project Allocable Portion of the Commission Administrative Expenses shall be paid as Additional Rent by the County.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement among the Commission and the Trustee, acting as dissemination agent, dated _____, 2019, as the same may be amended or supplemented from time to time.

“Cost” or “Costs” shall mean and be deemed to include, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Agreement, (a) the costs and expenses of the County incurred for labor and materials and payments to contractors, builders and material men in connection with the acquisition, construction and installation of the Improvement Project, the costs of payment of, or reimbursement for, acquisition, installation and financing of the Improvements including, but not limited to, advances or progress payments, installation costs, administrative costs and capital expenditures relating to installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs; (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 Improvement Project which is not paid by the contractor or contractors or otherwise provided for; (c) the costs and expenses of the County 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 Improvement Project; (d) the Improvement Project Allocable Portion of the fees and charges of the Trustee pursuant to the Resolution, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Commission Financing Fee for the Series 2018 Bonds, all professional and consulting fees and charges of the Commission and the County, costs of rating agencies, bond insurance, fees for the printing, execution, transportation and safekeeping of the Series 2018 Bonds, and any charges and fees in connection with any of the foregoing; (e) all other costs which the County shall be required to pay under the terms of any contract or contracts for the acquisition, construction or installation of the Improvement Project, including, but not limited to, the cost of insurance; (f) any sums which are required to reimburse the County for advances made for any of the above items, or for any other costs which are properly incurred and for work done, which is properly chargeable to the Improvement Project; (g) the Improvement Project Allocable Portion of the deposits in any Fund or Account under the terms of the Resolution, all as shall be provided in the Resolution; (h) the payment of Debt Service on the Series 2018 Bonds, whether issued as Bonds or Notes; (i) the Improvement Project Allocable Portion of the Commission Administrative Expenses; and (j) such other expenses which are not specified herein as may be necessary or incidental to the construction, acquisition and installation of the Improvement Project, the financing thereof and the placing of the same in use and operation, including, without limitation, the acquisition, by purchase or lease, of the Real Property. "Cost" or "Costs", as defined herein, shall also include (i) the Improvement Project Allocable Portion of the cost and expenses incurred by any agent of the Commission or the County with respect to any of the above-mentioned items.

"County" shall mean the County of Burlington, New Jersey, a public body corporate and politic of the State.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to the Improvement Project Allocable Portion of the Series 2018 Bonds, an amount equal to the sum of (i) interest accruing during such period on such Improvement Project Allocable Portion of the Series 2018 Bonds except to the extent such interest is to be paid from deposits made from Series B Bond proceeds into the Improvement Project Account of the Debt Service Fund, if any, and (ii) the amount that is required to pay the Principal Payment due on such Improvement Project Allocable Portion of the Series 2018 Bonds during such period. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Debt Service Fund" shall mean the Debt Service Fund created and established in Section 502(5) of the Resolution.

"Debt Service Requirement" with respect to any Bond Payment Date for the Series 2018 Bonds shall mean, interest accrued and unpaid and to accrue to such date plus the Principal Amount due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Default" or "Event of Default" shall mean one or more of the events of default as defined in Section 8.1 hereof but not under the Resolution.

"Favorable Opinion of Bond Counsel" shall mean an opinion of Bond Counsel, addressed to the Commission, the Trustee and the County, to the effect that the action proposed to be taken is authorized or permitted by the Resolution and the Act and will not adversely affect the exclusion of interest on the Series 2018 Bonds from gross income for purposes of Federal income taxation under Section 103 of the Code.

"Fiduciary" or "Fiduciaries" shall mean the Trustee, the Paying Agent, the Registrar, the dissemination agent under the Continuing Disclosure Agreement, if any, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean the twelve (12) month fiscal period of the County or the Commission, as applicable.

"Improvement Project" shall mean the design and construction of the Improvements initially financed with the proceeds of the Series 2018 Bonds, including the Commission's interest in the Real Property and the construction upon the Real Property of the Improvements, together with all necessary and incidental equipment, apparatus, structures and appurtenances, necessary or desirable for the efficient operation of the Improvement Project, all as described in Exhibit A annexed hereto and incorporated by this reference herein.

"Improvement Project Account" shall mean the respective Accounts of the Project Fund, Revenue Fund, Operating Fund, Proceeds Fund, Debt Service Fund and Rebate Fund established pursuant to Article V of the Resolution.

"Improvement Project Allocable Portion" shall mean, initially, ____% of the par amount of the Series 2018 Bonds issued as Series 2019 Notes.

"Improvements" shall mean, collectively, the items of capital Improvements described in Exhibit A hereto, as Exhibit A is amended, supplemented and restated from time to time in connection with any capital Improvement constructed by the County as permitted hereunder in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, a capital Improvement then described in Exhibit A.

"Individual Improvement" shall mean each individual Improvement appearing on Exhibit A hereto or an Improvement added pursuant to Section 4.1(b) hereof.

“Initial Commission Financing Fee” shall mean the initial financing fee of the Commission for the Series 2018 Bonds, which, as of the date of execution of this Agreement in connection with the issuance of the Series 2019 Notes, shall be in an amount equal to 0.08333% of the par amount of the Series 2019 Notes (\$_____). The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$_____.

“Lease Payment” shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County upon demand pursuant to Section 5.1 hereof, respectively.

“Lease Payment Date” shall mean with respect to the Series 2018 Bonds issued as the Series 2019 Notes, _____, 2020, or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing an additional Series of Series 2018 Bonds or a Series of Refunding Bonds, if any, which dates shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Series 2018 Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

“Lease Term” shall mean the duration of the leasehold estate created with respect to the Improvement Project, as specified in Section 3.2 hereof.

“Permitted Encumbrances” shall mean and include:

(a) undetermined liens and charges which are incidental to construction or maintenance, now or hereafter filed on record which are being contested in good faith and which have not proceeded to judgment;

(b) minor defects and irregularities in the title to the Improvement Project which do not in the aggregate materially impair the use of the Improvement Project for the purposes for which it is intended;

(c) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held;

(d) rights reserved to or vested in any county, municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Improvement Project which do not materially impair the use of the Improvement Project for the purposes for which it is intended;

(e) any obligations or duties affecting any portion of the Improvement Project of any county, municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(f) present or future valid zoning laws and ordinances;

(g) this Agreement and the Resolution, as each may be amended and supplemented from time to time in connection with the issuance of any Series of Series 2018 Bonds; and

(h) prior or subsequent lease and agreements between the Commission and the County.

“Person” or “Persons” shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

“Plans and Specifications” shall mean the plans and specifications for the Improvement Project, prepared by or on behalf of the County.

“Principal Amount” shall mean, as of any date of calculation, and with respect to any Outstanding Series 2018 Bonds the principal amount thereof.

“Proceeds” shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to the Improvement Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 6.4 of this Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

“Proceeds Fund” shall mean the Proceeds Fund created and established under Section 502(4) of the Resolution.

“Project Fund” shall mean the Project Fund created and established pursuant to Section 502(1) of the Resolution.

“Purchase Option Price” shall have the meaning which is assigned to such term in Section 5.7(b) hereof.

“Real Property” shall mean the real property, as more particularly described in Exhibit A which is attached hereto and which by this reference is made a part hereof as if set forth in full herein, which shall, pursuant to the terms hereof, be leased by the County to the Commission and upon which the Improvements will be constructed by the County.

“Real Property Lease Term” shall mean the duration of the leasehold estate created with respect to the Real Property, as specified in Section 2.2 hereof.

“Rent”, “Rental(s)” or “Rental Payment” shall mean the sum of Basic Rent and Additional Rent, which is payable by the County in connection with the lease of the Improvement Project pursuant to the terms of this Agreement.

“Resolution” shall mean the resolution duly adopted by the Commission on October __, 2019, entitled, “Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2018 County Leasing Program), Series 2019”, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

“Series 2018 Bonds” shall mean the Commission’s Lease Revenue Bonds or Notes (as defined in the Resolution) issued from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Improvements.

“Series 2019 Notes” shall mean the Commission’s Lease Revenue Notes (2018 County Leasing Program), Series 2019 authorized and issued on _____, 2019 in the aggregate principal amount of \$_____ pursuant to Section 203 of the Resolution.

“State” shall mean the State of New Jersey or any successor to its duties and functions.

“Trustee” shall mean, with respect to the Series 2018 Bonds, TD Bank, National Association, and its successors or assigns or any other bank, trust company or national banking association appointed trustee pursuant to the Resolution.

ARTICLE II

PROVISIONS RELATING TO REAL PROPERTY

SECTION 2.1. Lease of Real Property. The County hereby agrees to lease the Real Property, subject to Permitted Encumbrances, to the Commission, and the Commission hereby agrees to take and lease the Real Property, subject to Permitted Encumbrances, from the County, upon the terms and conditions which are set forth in this Agreement for the purpose of financing the Improvement Project Allocable Portion of the Improvement Project.

SECTION 2.2. Duration of Leasehold Estate in the Real Property; Real Property Lease Term. Subject to the provisions of Section 9.10 hereof, the Real Property Lease Term shall commence on the date hereof and shall terminate at such time as the Improvement Project Allocable Portion of the Series 2018 Bonds are no longer deemed to be Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the terms of this Agreement for a reason other than the Default of the County of any obligation hereunder, in which case, the Real Property Lease Term shall terminate on the date this Agreement is so terminated.

SECTION 2.3. Title to Real Property. The County has obtained either a leasehold interest in the Real Property for a period which is at least equal to the Real Property Lease Term, or, alternatively, has obtained or will obtain in connection with the construction of the Improvements good and marketable title to the Real Property, free and clear of all liens, charges and encumbrances, except for Permitted Encumbrances.

SECTION 2.4. Payment of Rent. The Commission shall pay to the County, in any coin or currency of the United States of America which at the time of payment constitutes legal tender for the payment of public and private debts, the sum of One Dollar (\$1.00) per year during the Real Property Lease Term.

SECTION 2.5. Use of Real Property. During the Real Property Lease Term, the Commission may enter upon, occupy and use the Real Property in order to complete construction or to cause the County to complete construction of the Improvements thereon.

SECTION 2.6. Quiet Enjoyment of Real Property. During the Real Property Lease Term, the Commission shall have peaceful and quiet use and possession of the Real Property without any hindrance or interference on the part of the County, except as otherwise provided in this Agreement.

ARTICLE III

PROVISIONS RELATING TO LEASE OF IMPROVEMENT PROJECT

SECTION 3.1. Lease of Improvement Project. (a) The Commission hereby agrees to lease the Improvement Project to the County and the County hereby agrees to take and lease the Improvement Project from the Commission, on the terms and conditions which are set forth in this Agreement.

(b) Pursuant to the terms of Article II hereof, the Commission has obtained a leasehold interest in the Real Property for a period which is at least equal to the Lease Term.

SECTION 3.2. Duration of Lease Term. Subject to the provisions of Section 9.10 hereof, the Lease Term shall commence on the date hereof and shall terminate on the first date upon which no Series 2018 Bonds are Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the terms of this Agreement for a reason other than the Default of the County of any obligation hereunder, in which case, the Lease Term shall terminate on the date this Agreement is terminated.

ARTICLE IV

CONSTRUCTION OF IMPROVEMENT PROJECT AND ISSUANCE OF Series 2018 Bonds

SECTION 4.1. (a) Construction of Improvement Project and Substitution or Addition of Improvements. The Commission will continue to cause the County to complete acquisition, construction and installation of the Improvement Project specified in Exhibit A on the Real Property in accordance with the Plans and Specifications.

The Commission and the County agree that the County is responsible for the letting of contracts for the design, acquisition, construction and installation of the Improvement Project, supervision of construction, acceptance of the completed Improvement Project or parts thereof, and all other matters which are incidental thereto in connection with the acquisition, construction and equipping of the Improvement Project. The County understands and agrees that it will cause such design, acquisition, construction and installation to be completed as soon as may be practicable, but if for any reason such design, acquisition, construction and installation is delayed, there shall be no diminution in or postponement of the amounts which are due and payable by the County under the terms of this Agreement.

Contracts to be let in connection with the design, acquisition, construction and installation of the Improvement Project shall be let in accordance with all applicable State

competitive bidding laws and shall have the same general form and content as similar contracts let by the County; *provided, however*, that all construction contracts entered into by the County shall provide that, upon a termination of this Agreement by reason of the occurrence of an Event of Default, such construction contract may be terminated and the contractor shall be entitled to payment only for the work done prior to such termination. The County agrees that it shall require each contractor engaged in the design, acquisition, construction and installation of the Improvement Project to provide a performance bond, in an amount which is at least equal to its contract price, as security for the faithful performance of its contract and also a payment bond, in an amount which is not less than one hundred percent (100%) of its contract price, as security for the payment of all Persons performing labor or furnishing materials in connection with such contract. In lieu of furnishing such bonds, the contractor may secure the faithful performance of its contract and secure the payment of all Persons performing labor or furnishing materials in connection with such contract by providing an irrevocable letter of credit from a reputable lending institution which is satisfactory to the County in an amount which is equal to one hundred percent (100%) of its contract price.

The Commission makes no warranties or representations and accepts no liabilities or responsibilities with respect to the adequacy, sufficiency or suitability of or defects in or with respect to the design, acquisition, construction or equipping of the Improvement Project, except as shall be covered under the terms of any performance bonds or insurance policies which are provided by the contractor for the benefit of the County and the Commission, and in such case only to the extent of the recovery thereunder.

During the period of construction, the County will, at its own cost and expense, promptly comply with all laws, rules, regulations and other governmental requirements including, without limitation, those pertaining to the environment, whether or not the same require structural repairs or alterations, which may be applicable to the County and the Improvement Project or the construction of the Improvement Project. The County shall also, during said period, observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Improvement Project.

(b) Addition or Substitution of Individual Improvements. As contemplated by this Agreement, a portion of the Costs of the Improvements set forth in Exhibit A will be initially financed with Series 2019 Note proceeds; *provided, however*, that, prior to the County's delivery of a Completion Certificate for any Individual Improvement, the County may, for any reason, elect to substitute one or more other Individual Improvements for the Individual Improvements that were previously contemplated; *provided, however*, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized County Representative expressing the County's intent to substitute Individual Improvements pursuant to this Agreement and to the effect that (A) the aggregate value of all Individual Improvements financed with proceeds of the applicable Series of Series 2018 Bonds for which an acceptance certificate has been delivered plus the value of the new Individual Improvements to be acquired, constructed and installed with proceeds of the applicable Series of Series 2018 Bonds is equal to at least 100% of

the amount of Bond proceeds of the applicable Series of Series 2018 Bonds initially deposited in the Improvement Project Account of the Project Fund established for the Improvements pursuant to the Resolution, (B) the estimated weighted average useful life of all the Individual Improvements to be acquired or constructed hereunder with proceeds of the applicable Series of Series 2018 Bonds after the substitution is equal to or greater than the weighted average useful life of all the Individual Improvements at the time of issuance of the applicable Series of the Series 2018 Bonds, (ii) a new Exhibit A to this Agreement setting out the new Individual Improvements to be acquired or constructed and identifying the new Real Property to which such new Individual Improvements shall be made and identifying the Real Property to which no Improvements shall be made as a result of such substitution, (iii) a Counsel's Opinion (as defined in the Resolution) to the effect that each of such substitutions and this Agreement, as supplemented thereby, is in compliance with all applicable laws, and that the financing of such new Individual Improvements falls within the corporate powers of the Commission, and (iv) an opinion of nationally recognized Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Series 2018 Bonds from the gross income of the owners thereof for Federal income taxation purposes. The County may not elect to substitute or exchange Improvements for an Individual Improvement pursuant to this Agreement for which the County has furnished to the Trustee an acceptance certificate. To the extent excess Series B Bond proceeds remain in the Improvement Project Account of the Project Fund established for the Improvements pursuant to the Resolution after all of the Individual Improvements set forth in Exhibit A hereto to be financed with proceeds of the applicable Series of Series 2018 Bonds have been acquired or completed, the County may apply such excess proceeds to the acquisition, construction and installation of additional Individual Improvements, but such application may only occur if the Trustee shall have received (i) a Certificate of an Authorized County Representative expressing the County's intent to add Individual Improvements pursuant to this Agreement, (ii) a Counsel's Opinion that is satisfactory to the Commission to the effect that each such addition and this Agreement, as supplemented thereby, is in compliance with all applicable laws and that the financing of such new Individual Improvements falls within the corporate powers of the Commission, and (iii) an opinion of nationally recognized Bond Counsel to the effect that such addition will not adversely affect the exclusion of interest on any Series of Series 2018 Bonds from the gross income of the owners thereof for Federal income taxation purposes.

SECTION 4.2. Issuance of Series 2018 Bonds. (a) In order to provide funds for, among other things, the payment of the Costs of the Improvement Project Allocable Portion, the Commission will use its best efforts to issue, sell and deliver the Series 2018 Bonds.

(b) The County shall cooperate with the Commission in furnishing to the Commission and the Trustee all documents required to effectuate the issuance of the Series 2018 Bonds, including the execution and delivery of certificates, resolutions, opinions and disclosure materials necessary in connection therewith.

(c) In the event moneys in the Improvement Project Account of the Project Fund are not sufficient to design, acquire, construct and install the Improvement Project, the County shall so notify the Commission and the Trustee and the County shall be obligated to pay the balance of the Cost of the Improvement Project out of funds of the County legally available therefor. In such event, the County shall not be entitled to any reimbursement from the Commission as a result of such payment.

SECTION 4.3. Completion Date. The completion date of the design, acquisition, construction and equipping of the Improvement Project shall be evidenced to the Trustee by (a) a certificate of an Authorized County Representative stating that such design, acquisition and construction of the Improvement Project and acquisition or installation of necessary and incidental equipment has been completed substantially in accordance with the Plans and Specifications, and (b) a certificate of an Authorized Commission Representative stating that such design, acquisition and construction of the Improvement Project and acquisition or installation of necessary and incidental equipment has been completed and that payment of the Cost, or adequate provision therefor, has been made. Notwithstanding the foregoing, the certificates referred to in clauses (a) and (b) hereof shall state that they are given without prejudice to any rights against third parties which exist as of the date of such certificates or which may subsequently come into being. If, upon the completion of the design, acquisition, construction and equipping of the Improvement Project, there shall be any surplus funds remaining which are not required to provide for the payment of the Costs of the Improvement Project, such funds shall be deposited and applied as provided in the Resolution.

SECTION 4.4. Default in Contractors' Performance. In the event of a default of any contractor or subcontractor under the terms of any contract made in connection with the Improvement Project, the County will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the County against the contractor or subcontractor in default and against each surety for the performance of such contractor. The County agrees to advise the Commission, in writing, of the steps it intends to take in connection with any such default. If the County shall so notify the Commission, the County, in good faith and in its own name, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor or surety which the County deems reasonably necessary. Any amounts which are recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid by the County to the Trustee, and applied to payment of the Costs of the Improvement Project, in accordance with the terms of the Resolution.

SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) Upon original issuance of the Series 2018 Bonds as Series 2019 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2018 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Improvement Project Allocable Portion of the Series 2018 Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series 2018 Bonds, including the

Improvement Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Improvement Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$ _____ for deposit in the Improvement Project Account of the Project Fund to be used to pay Costs of the Improvement Project.

(b) The Commission has in the Resolution authorized and directed the Trustee to make payments from the Improvement Project Account of the Project Fund to pay Costs of the Improvement Project upon receipt by the Commission and the Trustee of a requisition in the form set forth in Exhibit C attached hereto signed by an Authorized County Representative and by an Authorized Commission Representative (which approval shall not be unreasonably withheld), which requisition shall certify with respect to each payment to be made: (i) the requisition number, (ii) the name and address of the Person, firm, corporation or agency to whom payment is due or has been made, (iii) the amount to be paid, (iv) the Costs of the Improvement Project to which the requisition relates, (v) that the Costs have been incurred by the County and are proper charges against the Improvement Project Account of the Project Fund, are proper Costs of the Improvement Project for which the Improvement Project Account of the Project Fund was established and such Costs have not been previously paid, (vi) that the County 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 pursuant to 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 County, that such lien, attachment or claim has been released or discharged, and (vii) that such requisition contains no item which represents payment on account of any retained percentages which the County is at the date of such certificate entitled to retain.

(c) In the case of expenses which have been incurred by the County 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 Improvement Project or payments which are to be made for labor and to contractors, builders and material-men 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 County Representative, attached to such requisition, certifying that such Authorized County Representative has made reasonable investigations and that, to the best of his or her knowledge, each such obligation has been properly incurred by the County, and that insofar as such obligation was incurred 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 Improvement Project or that such materials, supplies or equipment were fabricated for the construction thereof.

(d) The Commission agrees to cooperate with the County in furnishing to the Trustee any documents required to effect payments out of the Improvement Project

Account of the Project Fund in accordance with this Section. Such obligation of the Commission is subject to any provisions of the Resolution requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Improvement Project Account of the Project Fund available for payment under the terms of the Resolution.

ARTICLE V

RENTALS AND OTHER PAYMENTS

SECTION 5.1. Payment of Rentals. The Commission and the County each acknowledge and agree that the Basic Rent payments due under this Agreement (as set forth in Exhibit B hereto, as same may be amended from time to time in connection with additional Series of Series 2018 Bonds as authorized pursuant to the terms of the Resolution) reflect the Improvement Project Allocable Portion. By execution hereof, the County agrees to repay to the Commission the Cost of the Improvement Project Allocable Portion and to pay Additional Rent in connection therewith as follows:

(a) The County shall pay to the Trustee, at the address set forth in Section 9.7 hereof as Basic Rent, on the Lease Payment Date, the amount in accordance with the schedule of Basic Rent set forth in Exhibit B hereto which, together with other moneys and interest and investment earnings available therefor, if any, will equal the County's Basic Rent obligation which is to be applied to the payment of the Improvement Project Allocable Portion of the Debt Service due on the Series 2018 Bonds on the next succeeding Bond Payment Date.

(b) The County shall pay to the Trustee, as the same shall become due and payable at any time during the Lease Term, on any Lease Payment Date or thirty (30) days after demand by the Commission or the Trustee, the following Additional Rent for the Improvement Project Allocable Portion:

- (1) The Improvement Project Allocable Portion of the Commission Administrative Expenses as shall have been submitted by the Commission to the Trustee and to an Authorized County Representative as contained in a certificate executed by an Authorized Commission Representative;
- (2) The Improvement Project Allocable Portion of the fees and expenses of the Trustee, the Registrar and any Paying Agents for the Series 2018 Bonds;
- (3) Insurance policy premiums if paid by the Commission pursuant to Section 6.4(h) hereof; and

(4) Any other Additional Rent.

(c) The Commission shall deliver to the County and the Trustee a certificate, from time to time as necessary, which reflects credits, if any, to be applied toward the Basic Rent obligation of the County in accordance with the provisions hereof and of the Resolution.

In accordance with the Resolution, the County shall be notified annually, in writing, by the Trustee of the amounts arising from investment earnings, if any, but such amounts shall not be applied as a credit against the Basic Rent payment obligations of the County except as set forth in Section 507(4) of the Resolution. In the event a dispute arises between the Commission and the County with respect to the amount of Basic Rent due and owing by the County, or the credits to be applied toward the County's Basic Rent obligation, such dispute shall be resolved by the Commission. The Trustee shall have no obligation with respect thereto. Notwithstanding any credits which may accrue to the County during the Lease Term, the County is obligated to pay all amounts which constitute Rentals which are due under this Agreement.

(d) Any Rentals due and owing pursuant to this Section 5.1 which are not paid by the County on or before the due date thereof shall, from and after said due date, bear interest (to the extent permitted by State law) at the highest rate per annum borne by the Outstanding Series 2018 Bonds of the Commission until paid, time being of the absolute essence of this obligation. Any interest amounts owed by the County pursuant to this Section 5.1(d) shall constitute Additional Rent and shall be paid to the Trustee after demand by the Commission.

(e) All Rental Payments by the County shall be made in immediately available funds and shall be paid to the Trustee at the address set forth in Section 9.7 hereof.

(f) By execution hereof, the County expressly acknowledges the Commission's right to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel compliance and to enforce the County's full and timely payment of Basic Rent payments hereunder.

SECTION 5.2. Indemnification. (a) Both during the Lease Term and, thereafter, the County shall, to the extent permitted by State law, indemnify and hold the Commission and the Trustee harmless against, and the County shall pay any and all liability, loss, cost, damage, claims, judgments or expenses (including reasonable attorneys' fees and expenses), of any and all kinds or nature and howsoever arising, other than as a result of the gross negligence or willful misconduct of the Commission or the Trustee, their members, officers, agents, professionals, servants or employees, which the Commission or the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or both, or upon or arising out of contracts entered into by the County or the Commission relating to the Improvement Project, or the bidding or awarding of contracts

with respect thereto, or arising out of the Commission's ownership of the Improvement Project or the leasing thereof to the County, or arising out of the acquisition, construction, installation, use, operation or maintenance of the Improvement Project pursuant to the terms of this Agreement, or arising out of or caused by any untrue or misleading statement of a material fact relating to the County in the Official Statement of the Commission dated _____, 2019 (the "Official Statement") or any omission of any material fact relating to the County in the Official Statement. It is mutually agreed by the County and the Commission that, after commencement of the Lease Term as provided in Section 3.2 hereof, neither the Commission, the Trustee nor their respective members, commissioners, officers, agents, professionals, servants or employees shall be liable in any event for any action performed under this Agreement and that the County shall, to the extent permitted by State law, save the Commission and the Trustee harmless from any claim or suit of whatsoever nature arising hereunder except for such claims or suits arising as a result of the Commission's or the Trustee's gross negligence or willful misconduct. This provision shall survive the end of the Lease Term and the final maturity of the Series 2018 Bonds.

(b) The County, at its own cost and expense, shall, to the extent permitted by State law, defend any and all such claims, suits and actions which may be brought or asserted against the Commission, the Trustee or their respective members, commissioners, officers, agents, professionals, servants or employees relating to the performance of their respective obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Agreement from its obligation to defend the County, the Commission, the Trustee and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy. The County agrees that it shall give the Commission and the Trustee prompt notice, in writing, of the County's actual or constructive knowledge of the filing of each such claim and the institution of each such suit or action.

(c) The Commission agrees that it:

- (1) shall give the Authorized County Representative prompt notice, in writing, upon its actual or constructive knowledge of the filing of each such claim and the institution of each such suit or action;
- (2) shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action; and
- (3) shall permit the County to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the County shall keep the Commission informed as to the progress of any suit, claim or action, and the County shall not reach a final settlement, adjustment or

compromise without the Commission's prior approval, which approval shall not be unreasonably withheld.

(d) To the extent permitted by State law, any reasonable cost incurred by the Commission or the Trustee for its respective attorneys, experts' testimony costs and any and all reasonable costs to defend the Commission or the Trustee or any of its respective directors, officials, members, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Trustee for the benefit of the Commission or the Trustee, as the case may be, by the County as an Improvement Project Allocable Portion of a Commission Administrative Expense constituting Additional Rent under Section 5.1(b) hereof.

SECTION 5.3. Nature of Obligations of the County.

(a) The County shall be obligated to pay all amounts due under this Agreement which constitute Rentals, including Improvement Project Allocable Portion of Commission Administrative Expenses, which amounts shall be sufficient to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2018 Bonds and to fulfill its payment obligations hereunder. The obligation of the County to pay Rentals and to pay all other amounts provided for in this Agreement and to perform its obligations under this Agreement shall be absolute and unconditional, and such Rentals and other amounts shall be payable without any rights of set-off, recoupment or counterclaim it might have against the Commission, the Trustee or any other Person and whether or not the Improvement Project continues to be used by the County or available for use by the County.

(b) The County shall not terminate this Agreement (other than such termination as is provided for under Section 5.7 hereof) or be excused from performing its obligations hereunder or be entitled to any abatement of its obligation to pay Rentals or any other amounts hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Improvement Project, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Improvement Project, or the failure of the Commission to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

SECTION 5.4. County Lease Payment Obligation. Notwithstanding anything in this Agreement to the contrary, the cost and expense of the performance by the County of its obligations under this Agreement and the incurrence of any liabilities of the County under this Agreement including, without limitation, the obligation for the payment of all Rentals and all other amounts required to be paid by the County under this Agreement is a direct and general obligation for which the full faith and credit of the County is hereby pledged, which obligation is not subject to County appropriation and the County shall be required

to pay the Rentals and such other amounts required to be paid by the County under this Agreement out of the first funds becoming legally available to the County for this purpose.

SECTION 5.5. Nature of Obligations of the Commission. The cost and expense of the performance by the Commission of any of its obligations under the terms of this Agreement shall be limited to the availability of the Improvement Project Allocable Portion of the proceeds of the Series 2018 Bonds which have been issued for such purposes or from other funds received by the Commission under the terms of this Agreement or from insurance policies held by or for the benefit of the Commission and which are available for such purposes.

SECTION 5.6. Assignment of Payments by Commission.

(a) It is understood that all payments which are received by the Commission from the County under the terms of this Agreement (except payments which are made pursuant to Sections 5.1(b) and 5.2 hereof) are to be assigned by the Commission to the Trustee pursuant to the terms of the Resolution. Such assignment of payments by the Commission to the Trustee shall impose no duties or responsibilities on the Trustee with respect to the obligations of the Commission under the Resolution or this Agreement. To the extent any payments made pursuant to Section 5.2 hereof are derived from the Improvement Project Allocable Portion of the proceeds of the Series 2018 Bonds, such payments shall nonetheless be assigned by the Commission to the Trustee pursuant to the terms of the Resolution.

(b) The Commission agrees to notify the County, by the execution of an appropriate instrument making such assignment to the Trustee, and the County consents to such assignment and agrees that, upon receipt of such notification, it will pay directly to the Trustee at its principal corporate trust office all payments which are due and payable by the County to the Commission pursuant to the terms of this Agreement (except payments which are required to be made pursuant to Sections 5.1(b) and 5.2 hereof) without any defense, set-off or counterclaim arising out of any default on the part of the Commission hereunder. Except as provided in this Section 5.6, the Commission shall not assign this Agreement or any payments which are required to be made under the terms of this Agreement. Except as provided in Section 8.2 hereof, the Commission shall not sell or otherwise encumber its interest in the Improvement Project.

SECTION 5.7. Option to Purchase Improvement Project Prior to Expiration of Agreement.

(a) As long as no Event of Default has occurred and is continuing, the County shall have and may exercise, at any time prior to the expiration of the Lease Term, the option to purchase the Improvement Project upon payment to the Commission of the purchase price therefor in an amount as provided in paragraph (b) below. The County may exercise such option upon thirty (30) calendar days' prior written notice to the Commission and the Trustee.

(b) In the event the County determines to exercise its option to purchase the Improvement Project, the County shall deposit with the Trustee an amount which is equal to the Purchase Option Price. The Purchase Option Price as of any date shall mean the amount equal to (i) the aggregate amount of principal and interest and redemption premium, if any (collectively, the "Aggregate Debt Service Obligation"), payable in respect of the Improvement Project Allocable Portion of the then Outstanding Series 2018 Bonds at their maturity or earliest optional redemption date, if any, plus (ii) any Additional Rent and other amounts due and owing pursuant to Sections 5.1(a) and (b) hereof, including but not limited to, escrow verification fees. The principal and interest as of the Lease Payment Date (based on the assumption that all other scheduled payments due on and prior to such date have been paid) with respect to the Improvement Project Allocable Portion is as shown on Exhibit B which is attached hereto and which by this reference is made a part hereof as if set forth in full herein (which shall be amended in connection with the issuance of any additional Series of Series 2018 Bonds). All payments of Basic Rent which have been made by the County under the terms of Section 5.1(a) hereof prior to the date of the notice delivered by the County, as provided above, shall be credited toward the purchase price of the Improvement Project in arriving at the Purchase Option Price. The Purchase Option Price may be paid in such lesser amount such that, upon investment of all or a portion thereof in obligations described in subparagraph (a) of the definition of "Investment Securities" contained in Section 101 of the Resolution, the maturing principal of and interest on which (together with any uninvested cash) shall be sufficient to pay the Aggregate Debt Service Obligation, payable in respect of the Improvement Project Allocable Portion of the then Outstanding Series 2018 Bonds at their maturity or earliest optional redemption date, if any, plus Additional Rent and other amounts due and owing pursuant to clause (ii) hereof.

(c) Upon the exercise by the County of its option to purchase the Improvement Project (as evidenced by the deposit of the Purchase Option Price with the Trustee, as required by paragraph (b) above), the County shall have no further obligation under the terms of this Agreement; *provided, however*, that the provisions of Section 5.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such exercise. Upon the exercise of the County's option to purchase the Improvement Project, the Commission and the County shall take all necessary actions to authorize, execute and deliver any and all documents which are required to transfer the Commission's interest in the Improvement Project to the County.

SECTION 5.8. Transfer of Title to Improvement Project.

In the event that the County has made payment of all Rentals, as provided in this Article V, throughout the Lease Term, or has exercised its option to purchase the Improvement Project, as provided in Section 5.7 hereof, and no Event of Default shall have occurred and be continuing, title to the Improvement Project shall be transferred to the County. Such transfer shall occur upon receipt by the Commission of notice from the Trustee of receipt by the Trustee of the final Rental Payment or the Purchase Option

Price, as the case may be. In such event, this Agreement shall terminate and all of the rights, duties and obligations of the parties hereto shall cease as of the date of such notice, except that the provisions of Section 5.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such termination.

ARTICLE VI

COVENANTS OF COUNTY

SECTION 6.1. Operation, Maintenance and Repair of Improvement Project. The County covenants and agrees that at all times during the Lease Term, the County shall be responsible for, and shall pay all costs and expenses of (a) operating the Improvement Project, (b) maintaining the same in good condition, and (c) making all necessary repairs and replacements, interior and exterior, structural and non-structural. The Commission shall have no responsibility in any of these matters, or for the making of improvements or additions to the Improvement Project.

SECTION 6.2. Utilities. The County will pay all charges for water, electricity, light, heat or power, sewage, telephone and other utility service which is rendered or supplied upon or in connection with the Improvement Project.

SECTION 6.3. Additions, Enlargements and Improvements. The County shall have the right at any time and from time to time during the Lease Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project, as the County shall deem to be necessary or desirable in connection with the use of the Improvement Project; *provided, however,* that prior to making any such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project, the County shall obtain all necessary permits and approvals relating to same. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the Improvement Project or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid by the County or discharged so that the Improvement Project shall at all times be free of liens for labor and materials supplied thereto, except for Permitted Encumbrances. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project shall be and become a part of the Improvement Project, during the Lease Term, and shall, subject to Article III hereof, be the property of the Commission.

SECTION 6.4. Provisions Regarding Insurance. (a) At all times during construction of the Improvement Project and until the Improvement Project is available for use by the County, the County shall, at its own expense, continue to maintain or continue to cause to be maintained with responsible insurers, at a minimum, the following kinds and the following amounts of insurance with respect to the Improvement Project, if applicable,

with such variations as shall reasonably be required to conform to customary insurance practice:

- (1) Builder's risk insurance regarding structures and facilities designed as part of the Improvement Project as is customarily carried by owners of similar rental properties with respect to such facilities when under construction, in an amount which is at least equal to one hundred percent (100%) of the value of the Improvement Project as determined from time to time, calculated after taking into account current contract costs, less noninsurable items. The net proceeds of any such insurance, after deduction therefrom of expenses of collection, shall be deposited and used as determined by the Commission in accordance with provisions of the Resolution and shall be applied to pay the Cost of the Improvement Project.
- (2) Such public or comprehensive liability insurance, in the minimum amount of \$1,000,000 liability for any one Person and \$3,000,000 liability for any one occurrence for personal injury, and \$500,000 liability for any one occurrence for property damage, and such insurance shall protect against any and all penalties, costs, including reasonable attorneys' fees, claims, demands and causes of action due directly or indirectly to the use, disuse or interest in the Improvement Project.
- (3) Such other and additional insurance (including workers' compensation insurance) as is customarily carried by Persons in similar circumstances with respect to similar construction operations or similar property or structures and facilities.

To the extent, however, that any part of said insurance is carried by others for the benefit of the County, the County shall not be obligated hereunder to procure or maintain such part of said insurance.

(b) Upon the availability of the Improvement Project, or any portion thereof, for use by the County, and thereafter during the Lease Term, the County agrees to pay for or provide comprehensive general liability coverage which will pay, on behalf of the Commission and the Trustee, all sums which the Commission and the Trustee shall become legally obligated to pay as damages because of bodily injury or death and property damage caused by any occurrence at or in connection with the use of the Improvement Project and the Commission and the Trustee shall be additional named insureds.

Such insurance shall afford protection to the Commission and the Trustee, in the minimum amount of \$1,000,000 liability for any one Person and \$3,000,000 liability for any one occurrence for personal injury, and \$500,000 liability for any one occurrence for

property damage, and such insurance shall protect the Commission and the Trustee against any and all penalties, costs, including reasonable attorneys' fees, claims, demands, and causes of action due directly or indirectly to the use, disuse, misuse or interest in the Improvement Project.

(c) Upon the availability of any portion of the Improvement Project for use by the County and thereafter during the Lease Term, the County shall obtain and maintain with responsible insurers authorized to do business in the State, or in such other manner as may be required or permitted by law, fire, extended coverage, earthquake and flood insurance on the Improvement Project, if applicable (including, without limiting the generality of the foregoing, if available on reasonable terms from the United States of America or any agency thereof or corporation organized thereby, war risk coverage), in an amount which is at least equal to the current full insurable replacement value thereof (exclusive of excavations and foundations but inclusive of debris removal costs), as determined by the County and adjusted, if required, annually with a deductible amount of not more than \$100,000; *provided, however,* that earthquake insurance and flood insurance shall be required only if same are available on reasonable terms. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without obtaining the prior written consent thereto of the Commission. Such insurance shall provide for rent or rental value insurance or business interruption insurance against loss of Rentals and other sums due hereunder resulting from the aforesaid risks insured against. Such insurance shall be written and maintained in an amount at least equal to the annual Rentals plus an amount equal to all of the other sums payable by the County hereunder including, without limitation, any real estate taxes, if any, assessments, utility charges and premiums necessary to maintain the insurance required to be maintained hereunder. Such rent or rental value or business interruption insurance shall be made payable solely to the Commission during the Lease Term and shall be applied periodically to the Rent and other sums due and to become due pursuant to this Agreement until the restoration or completion of the Improvement Project. All policies evidencing any insurance which is required by the terms of this paragraph (c) shall be carried in the name of the County, the Commission and the Trustee, as their respective interests may appear, and shall contain standard clauses which provide for the net proceeds of such insurance resulting from claims (per casualty) thereunder which are less than \$250,000 for loss or damage covered thereby to be made payable directly to the County and net proceeds from such claims equal to or in excess of \$250,000 (per casualty) to be made payable directly to the Trustee (other than rent or rental value or business interruption insurance which shall be payable solely to the Commission).

(d) During the Lease Term, the County shall obtain and maintain with responsible insurers authorized to do business in the State, or in such other manner as may be required or permitted by law, any other insurance which has been agreed to by the County and the Commission.

(e) All insurance policies which are obtained by or on behalf of the County or the Commission under the terms of this Agreement shall be open to inspection by the Commission, the County and the Trustee at all reasonable times.

(f) Notwithstanding any of the foregoing provisions of this Section 6.4, the County shall not be required to obtain or maintain any class or type of insurance required by this Agreement for which it is authorized and able to obtain and maintain an appropriate substitute arrangement under which the Commission would be fully protected from general public liability arising from its ownership or interest in the Improvement Project or under which assurance will be provided that funds will be available to repair, restore, rebuild or replace the Improvement Project upon damage, loss or destruction of the Improvement Project, or under which moneys would be available to the County from a lawful source to pay the Rentals and other payments which are required to be made under the terms of this Agreement in the event of the damage, loss or destruction of the Improvement Project. No such arrangement or arrangements shall be substituted by the County for the insurance required to be obtained and maintained pursuant to the foregoing provisions of this Section 6.4, unless and until each such arrangement shall have been approved, in writing, by the Commission.

(g) In lieu of separate policies, the County may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverages required herein, in which event it shall deposit with the Commission and the Trustee a certificate or certificates of the respective insurers as to the amount of such coverages in force upon the Improvement Project.

(h) In the event of failure of the County to pay any premium or other charge with respect to insurance which it is obligated to procure and maintain pursuant to the terms of this Section 6.4, the Commission may (but shall be under no obligation to) pay such premium and secure and maintain such policy at the cost and expense of the County and all amounts so advanced therefor by the Commission shall become immediately due and payable as Additional Rent to the Commission pursuant to Section 5.1(b)(3) hereof.

(i) To the extent permitted by State law, the County agrees to hold the Commission and the Trustee harmless for any loss to property resulting from any act of negligence that results in a loss or losses which is or which are insured under the foregoing insurance coverages.

(j) If the County maintains a program of self-insurance, the County may insure the Improvement Project in its self-insurance program and shall provide an adequate insurance fund to pay losses and shall demonstrate, to the satisfaction of the Commission, that such self-insurance is sufficient to provide the coverages required under this Section 6.4. Notwithstanding the foregoing, if the County elects to self-insure the Improvement Project, in the event the Improvement Project is damaged or destroyed, the County shall immediately pay over to the Commission all moneys for such damage or

loss for deposit with the Trustee to be applied in accordance with Sections 6.5 and 6.6 hereof.

Any insurance policy maintained pursuant to this Section 6.4 shall be so written or endorsed as to make losses, if any, payable to the County, the Commission and the Trustee as their respective interests may appear. The Proceeds of the insurance required in this Section 6.4 shall be applied as provided in Sections 6.5 and 6.6 hereof.

SECTION 6.5. Damage or Destruction. The County agrees to immediately notify the Commission and the Trustee in the case of damage to or destruction of the Improvement Project or any portion thereof in an amount exceeding \$250,000 resulting from fire or other casualty. In the event that the amount of any such damage or destruction does not exceed \$250,000, the County will forthwith repair, reconstruct and restore the Improvement Project to substantially the same condition as existed prior to the event causing such damage or destruction and the County will apply the net Proceeds of any insurance relating to such damage received by the County pursuant to Section 6.4 hereof to the payment or reimbursement of the costs of such repair, reconstruction and restoration.

In the event that the Improvement Project, or any portion thereof, is damaged or destroyed by fire or other casualty and the damage or destruction is estimated to exceed \$250,000, then the County shall, within ninety (90) days after such damage or destruction, elect one of the following two options by written notice of such election to the Commission and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** The County may elect to repair, reconstruct and restore the Improvement Project. In such event, the County, the Commission and the Trustee will cause the Proceeds of any insurance claim to be applied to the prompt repair, restoration or replacement of the Improvement Project. Any Proceeds received by the Commission shall be deposited in the Improvement Project Account of the Project Fund and be applied by the Trustee to complete the payment of the Cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for the payment of the Cost of the Improvement Project from the Improvement Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of the Improvement Project shall be transferred by the Trustee to the Improvement Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward the Basic Rent obligations of the County on the Lease Payment Date in accordance with Sections 503(7) and (8) of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt Service on the Outstanding Series 2018 Bonds is fully paid or provided for by the Commission.

(b) Option B - Prepayment of Rent. Alternatively, the County may elect to have the Proceeds of insurance payable as a result of such damage or destruction applied to the prepayment of Basic Rent hereunder. In such event the County shall, in its notice of election to the Commission and the Trustee, direct that such Proceeds, when and as received, be deposited in the Improvement Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt Service on the Outstanding Series 2018 Bonds is fully paid or provided for by the Commission.

SECTION 6.6. Condemnation. This Agreement and the interest of the County in the Improvement Project, or any portion thereof, which is condemned or taken for any public or quasi-public use shall be terminated when title thereto vests in the party condemning or taking the same (hereinafter referred to as the "termination date"). The County and the Commission hereby irrevocably assign to the Trustee all right, title and interest of the County in and to any Proceeds of any award, compensation or damages (hereinafter referred to as an "award"), payable in connection with any such condemnation or taking of the Improvement Project, or any portion thereof, during the Lease Term. Such Proceeds shall be initially paid to the Trustee for disbursement or use as hereinafter provided.

In the event of any such condemnation or taking, the County shall, within ninety (90) days after the termination date thereof, elect one of the following two options by written notice of such election to the Commission and the Trustee:

(a) Option A - Repair, Restoration or Replacement. The County may elect to use the Proceeds of the award made in connection with such condemnation or taking for repairs and improvements to the Improvement Project. In such event, the County, the Commission and the Trustee will cause the Proceeds of any condemnation award to be applied to the prompt repair, restoration or replacement of the Improvement Project. Any Proceeds received by the Commission shall be deposited in the Improvement Project Account of the Project Fund and be applied by the Trustee to complete the payment of the Cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for the payment of the Cost of the Improvement Project from the Improvement Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of the Improvement Project shall be transferred by the Trustee to the Improvement Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward the Basic Rent obligations of the County on any Lease Payment Date in accordance with Sections 503(7) and (8) of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt

Service on the Outstanding Series 2018 Bonds is fully paid or provided for by the Commission.

(b) Option B - Prepayment of Rent. The County may elect to have the Proceeds payable as a result of condemnation award applied to the prepayment of Basic Rent hereunder. In such event the County shall, in its notice of election to the Commission and the Trustee, direct that such Proceeds, when and as received, be deposited in the Improvement Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on the Improvement Project.

The Commission shall cooperate fully with the County in the handling and conducting of any prospective or pending condemnation proceedings with respect to the Improvement Project or any part thereof and will, to the extent it may lawfully do so, permit the County to litigate in any such proceeding in the name and on behalf of the Commission. In no event will the Commission voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings with respect to the Improvement Project or any part thereof without the prior written consent of the County.

SECTION 6.7. Insufficiency of Proceeds. If the County elects to repair, restore or replace the Improvement Project or any portion thereof under the terms of Section 6.5(a) or 6.6(a) hereof and the Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the County shall complete the work and pay any Cost in excess of the amount of the Proceeds and the County agrees that, if by reason of any such insufficiency of the Proceeds the County shall make any payments pursuant to the provisions of this Section 6.7, the County shall not be entitled to any reimbursement therefor from the Commission nor shall the County be entitled to any diminution or offset of the amounts payable under this Agreement.

SECTION 6.8. Net Lease. This Agreement shall be deemed to be and is construed to be a "net lease", and the County shall pay absolutely net during the Lease Term the Rentals and all other payments which are required to be made under the terms of this Agreement, free of all deductions, and without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

SECTION 6.9. Compliance With Laws. The parties to this Agreement agree to comply with all laws of the State applicable to the performance of this Agreement.

SECTION 6.10. Covenant of County as to Compliance With Federal Tax Matters. Upon the advice of Bond Counsel to the Commission, the County covenants that it will take all actions which are within its control that are necessary to assure that interest on the Series 2018 Bonds is excludable from gross income for Federal income tax purposes and the County covenants that it will refrain from taking any action that would cause the

interest on the Series 2018 Bonds to be includable in gross income under the provisions of the Code. The County specifically covenants as to the following:

(a) Not more than ten percent (10%) of the Improvement Project Allocable Portion of the proceeds of the Series 2018 Bonds used to finance the Improvement Project Allocable Portion (i) will be used for any private business use, and (ii) will be directly or indirectly (1) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (2) derived from payments in respect of property, or borrowed money, used or to be used for a private business use. If the Improvement Project Allocable Portion of the proceeds of the Series 2018 Bonds are to be used for any private business use which is not related or is disproportionate to the governmental use of the proceeds pursuant to Section 141(b)(3) of the Code, not more than five percent (5%) of the Improvement Project Allocable Portion of the proceeds of the Series 2018 Bonds used to finance the Improvement Project Allocable Portion are to be used for any private business use and not more than five percent (5%) of the Improvement Project Allocable Portion of the proceeds of the Series 2018 Bonds used to finance the Improvement Project Allocable Portion are secured by any interest in property used or to be used for a private business or payments in respect of such property, or to be derived from payments in respect of property or borrowed money, used or to be used for a private business use. The County will not enter into any type of lease or management or service contract with respect to the Improvement Project unless it obtains an opinion of Bond Counsel that such agreement will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2018 Bonds.

(b) The Improvement Project will be installed in a facility that is now owned and operated by the County, in which there is either no or *de minimis* non-public usage. The County covenants to so continue public ownership, operation and such public usage while the Series 2018 Bonds are Outstanding, unless Bond Counsel has opined that a proposed change in ownership, operation or usage will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2018 Bonds.

(c) No part of the Improvement Project Allocable Portion of the proceeds of the Series 2018 Bonds used to finance the Improvement Project Allocable Portion will be used to replace other funds of the County that were to be used for the Improvement Project Allocable Portion and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Series 2018 Bonds.

(d) The County hereby covenants to comply with the arbitrage requirements of Section 148 of the Code and the rebate requirements imposed by Section 148(f) of the Code. To the extent any rebate must be paid with respect to the Improvement Project Allocable Portion of the Series 2018 Bonds, the County will promptly pay the amount due upon request of the Commission.

(e) Except as indicated herein, the County does not anticipate that it or any other party will pledge any other investments or establish or create any other fund which will be security for the Improvement Project Allocable Portion of the Series 2018 Bonds.

(f) The County has not been notified of any publication by the Internal Revenue Service listing it as an issuer whose certification as to expectations may not be relied upon with respect to its obligations.

(g) The County shall immediately notify the Commission of any failure to comply with the foregoing covenants.

SECTION 6.11. Representations and Warranties of County. The County represents and warrants as follows:

(a) It is a public body corporate and politic duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its governing body, it has duly authorized the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement and compliance with the provisions hereof will not conflict with or constitute on the part of the County a violation of, breach of or default under any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the County is bound or, to the knowledge of the County, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the County or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the consummation of the transactions contemplated hereby have been obtained.

(c) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2018 Bonds, there is no action, suit, proceeding or investigation at law or in equity pending against the County by or before any court or public agency or, to the knowledge of the County, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby, or which in any way would adversely affect the validity of this Agreement, or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) To its knowledge, no legislation has been enacted which in any way adversely affects the execution and delivery of this Agreement by the County, or the creation, organization or existence of the County or the titles to office of any officials thereof, or the power of the County to carry out its obligations under this Agreement.

(e) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2018 Bonds, the County is not a party to any indenture, loan or credit agreement or any other agreement, resolution, contract, instrument, pension plan, pension trust, employee benefit or welfare plan, or subject to any restriction which may reasonably be expected to have an adverse effect on its properties, assets, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Agreement.

(f) It possesses either a leasehold interest in the Real Property for a period which is at least equal to the Real Property Lease Term or, alternatively, good and marketable title to the Real Property free and clear of all liens and encumbrances, except Permitted Encumbrances.

(g) It will, upon execution and delivery of this Agreement, deliver or cause to be delivered to the Commission an opinion of counsel to the County in substantially the form set forth in Exhibit D hereto.

SECTION 6.12. County Budget and Notice of Appropriation for Lease Payments.

(a) The County covenants that in each Fiscal Year of the Lease Term, it will include in its annual budget the Rentals which are due and payable or which will become due and payable during such Fiscal Year under the terms of this Agreement.

(b) By execution hereof, the County expressly acknowledges the Commission's right, but not its obligation, to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel the County to provide an appropriation for Lease Payments due under this Agreement.

(c) The County shall also notify the Trustee and the Commission of any change in the Fiscal Year of the County within ten (10) Business Days of the adoption of the authorization therefor by the governing body of the County.

SECTION 6.13. Third-Party Beneficiary. The County and the Commission by the execution hereof acknowledge that the covenants, representations and warranties set forth herein are for the benefit of the Trustee.

SECTION 6.14. Continuing Disclosure. In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2019 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, and (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the

termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

ARTICLE VII

SPECIAL COVENANTS

SECTION 7.1. County's Right to Possession. Except as otherwise provided herein, the County shall be entitled to sole possession of the Improvement Project during the Lease Term.

SECTION 7.2. Quiet Enjoyment. The Commission covenants and agrees with the County that upon the County's payment of the Rentals and the other payments which are required to be made under the terms of this Agreement and observing and performing all the terms, covenants, and conditions to be observed and performed by the County, the County may peaceably and quietly have, hold and enjoy the Improvement Project.

SECTION 7.3. Compliance With Laws and Regulations. The County will, at its own cost and expense, promptly comply with all laws, rules, regulations and other governmental requirements, including, without limitation, any of the foregoing pertaining to the environment, whether or not the same require structural repairs or alterations, which may be applicable to the County and the Improvement Project or the use or manner of use of the Improvement Project. The County will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Improvement Project.

SECTION 7.4. Covenant Against Waste. The County covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Improvement Project.

SECTION 7.5. Right of Inspection. The County covenants and agrees to permit the Commission and the authorized agents and representatives of the Commission to enter the Improvement Project at all times during usual business hours upon reasonable notice for the purpose of inspecting the same.

SECTION 7.6. Condition of Premises. Upon the availability of any part of the Improvement Project for use by the County, the County shall become familiar with the physical condition of the Improvement Project or relevant part thereof. The Commission makes no representations whatsoever in connection with the condition of the Improvement Project, and the Commission shall not be liable for any defects therein.

SECTION 7.7. Assignment and Sale by the County. The County will not, except with the prior written consent of the Commission, sell, sublease or otherwise dispose of or encumber its interest in the Improvement Project, except for Permitted Encumbrances. This Agreement may be assigned in whole or in part by the County upon the prior written

consent of the Commission (which consent shall not be unreasonably withheld) but no assignment shall relieve the County from satisfying any of its obligations hereunder, and in the event of any such assignment, the County shall continue to remain primarily liable for the payments specified in this Agreement and for performance and observance of the other agreements provided herein.

SECTION 7.8. Cooperation by the County. The County, by written notice signed by an Authorized County Representative, shall keep the Commission informed of anticipated needs for money to pay the Cost of the Improvement Project and the County shall give the Commission its full cooperation and assistance in all matters relating to financing of the design, acquisition, construction and installation of the Improvement Project.

The County agrees that, whenever requested by the Commission, it shall provide and certify, in form satisfactory to the Commission, such information concerning the County and the Improvement Project, the operations and finances of the County and such other matters that the Commission considers to be necessary in order to enable it to complete and publish the Official Statement or other similar disclosure document relating to the sale of the Series 2018 Bonds or to enable the Commission to make any reports which are required by any law or governmental regulations in connection with the Series 2018 Bonds.

SECTION 7.9. Liens. During the Lease Term, the County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Improvement Project, and the respective rights of the Commission and the County as herein provided, except for Permitted Encumbrances. The County shall reimburse the Commission for any reasonable expense incurred by the Commission in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, except for Permitted Encumbrances.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default. An "Event of Default" or a "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the County to pay or cause to be paid when due the payments which are required to be made under the provisions of Section 5.1(a) hereof;

(b) Failure by the County to pay or cause to be paid when due any payments which are required to be made under the provisions of this Agreement (other than payments required to be made under Section 5.1(a) hereof and in Section 6.14 hereof), which failure shall continue for a period of thirty (30) days after written notice thereof,

specifying such failure and requesting that it be remedied, is given to the County by the Commission or the Trustee;

(c) Failure by the County to observe and perform any covenant, condition or agreement which is required to be observed or performed by it (other than as referred to in subsections (a) and (b) of this Section 8.1 and in Section 6.14 hereof), which failure shall continue for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the County by the Commission or the Trustee, unless the notifying party shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and is diligently pursued until the default is remedied;

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

(e) Any sale of all or a portion of the Improvement Project or termination of the Lease Term provided the County has not elected to terminate this Agreement pursuant to the provisions of Section 5.7 hereof.

SECTION 8.2. Remedies. Whenever any Event of Default referred to in Section 8.1 hereof shall have occurred and shall be continuing, any one or more of the following remedial steps may be taken, provided that, where applicable, prior written notice of the Default has been given to the County by the Commission or by the Trustee and the Default has not been cured:

(a) The Commission may re-enter and take possession of the Improvement Project without terminating this Agreement, and may sublease the Improvement Project for the account of the County, holding the County liable for the difference, if any, in the Rent and other amounts which are payable by the sublessee and the Rentals and other amounts which are due and payable by the County to the Authority under the terms of this Agreement.

(b) The Commission may accelerate the Rental Payments owed by the County for the Improvement Project, holding the County liable for all Rentals and other amounts due to the Commission under the terms of this Agreement.

(c) To the extent the same may be permitted by State law, the Commission may terminate the Lease Term, exclude the County from possession of the Improvement Project and sell the Improvement Project (to the extent possible), holding the County liable for payment of all Rentals and other amounts which are due under the terms of this Agreement and which are not paid from the proceeds derived from such sale.

(d) The Commission may take whatever action at law or in equity may appear to be necessary or desirable in order to collect the payments which are then due and payable and thereafter to become due and payable, or to enforce performance and observance of any obligation, agreement or covenant of the County under the terms of this Agreement.

Any amounts which are collected pursuant to action taken under this Section 8.2 shall be applied in accordance with the provisions of the Resolution. If the Resolution has been discharged and all costs of the Commission, if any, shall have been paid, any remaining amounts collected pursuant to actions taken under paragraph (c) of this Section 8.2 shall be paid to the County by the Trustee.

SECTION 8.3. Reinstatement. Notwithstanding the provisions of Section 8.2 hereof if, after the acceleration of the Rental Payments upon occurrence of an Event of Default, all arrears of interest on such overdue Rental Payments and the Rental Payments which have become due and payable otherwise than by acceleration, and all other sums payable under this Agreement, except Rental Payments due and payable as a result of acceleration, shall have been paid by or for the account of the County or provision satisfactory to the Trustee shall have been made, all other things shall have been performed in respect of which there was a Default or provision deemed by the Trustee to be adequate shall be made therefor and there shall have been paid the reasonable fees and expenses, including Additional Rent and the Improvement Project Allocable Portion of the Commission Administrative Expenses (including reasonable attorneys' fees paid or incurred), if any, and such acceleration under this Agreement is rescinded, the Trustee shall waive the County's Default without further action by the Commission and the Commission and the Trustee shall be restored to their former positions and rights under the Resolution. Upon such payment and waiver, this Agreement shall be fully reinstated as if it had never been accelerated. No such restoration of the Commission and the Trustee shall extend to or affect any subsequent Default under the Resolution or impair any right consequent or incidental thereto.

SECTION 8.4. Payment Deficiencies. If an Event of Default referred to in Section 8.1(a) hereof shall have happened and be continuing and there remains outstanding Basic Rent payments which have not been paid to the Trustee pursuant to the terms of this Agreement (which determination shall be made by the Trustee as at the close of business on any Lease Payment Date), the Trustee, on behalf of the Commission, shall notify the County and the Commission, in writing not later than 3:00 p.m. on such Lease Payment Date, of the failure of the County to pay its Basic Rent on the Lease Payment Date, which notice shall state the amount of any such deficiency, the date by which the

deficiency must be cured by the County (which date shall not be later than the Bond Payment Date). Notwithstanding the above, the Commission and the Trustee shall undertake all diligent efforts to pursue the County and cause it to pay all amounts due and owing to the Commission under this Agreement prior to any Bond Payment Date.

SECTION 8.5. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Commission or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement 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 any default hereunder shall impair any such right or power or shall be construed to be a waiver hereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Commission or the Trustee to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 8.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Surrender of Possession. Except as otherwise expressly provided in this Agreement, upon the termination of the Lease Term as a result of the occurrence of an Event of Default under the terms of Article VIII hereof, the County hereby agrees to surrender possession of the Improvement Project peacefully and promptly to the Commission in the same or better condition as existed at the commencement of the Lease Term, except for loss by fire or other casualty covered by insurance in the manner and as provided in Article VI hereof, and except for condemnation and ordinary wear, tear and obsolescence.

SECTION 9.2. Successors and Assigns. This Agreement shall inure to the benefit of the County, the Commission, the Trustee and their respective successors and assigns and shall be binding upon the County and the Commission and their respective successors and assigns subject, however, to the provisions of Section 7.7 hereof.

SECTION 9.3. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.4. Amendments. (a) This Agreement may be amended upon the written consent of the County and the Commission; *provided, however*; that, except as provided below, no such amendment shall be effective without a Counsel's Opinion (as defined in the Resolution) if, in the judgment of the Trustee, such amendment adversely affects the rights of the Holders of the Series 2018 Bonds which are Outstanding at the time of such amendment.

(b) Notwithstanding anything herein to the contrary, this Agreement may be amended under all circumstances to provide for a change in the description of the Improvements and location of the Real Property as set forth in Exhibit A to this Agreement and the Basic Rent Payment Schedule for the Series 2018 Bonds as set forth in Exhibit B to this Agreement.

SECTION 9.5. Amounts Remaining Under Resolution. It is agreed by the parties hereto that upon the expiration or sooner termination of the Lease Term, as provided in this Agreement, after payment in full of the Improvement Project Allocable Portion of the Outstanding Series 2018 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Resolution) and all Rental Payments due hereunder and the fees, charges and expenses of the Fiduciaries and the Commission in accordance with the provisions of the Resolution and this Agreement, any amounts which are remaining in any Improvement Project Account of any Fund created under the terms of the Resolution shall belong to, and shall be paid by the Commission (after receipt from the Trustee) to, the County.

SECTION 9.6. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.7. Notices. All notices, demands or other communications provided for in this Agreement shall be in writing and shall be delivered personally, by facsimile transmission (with written confirmation of receipt) in accordance herewith and sent by certified or registered mail, personal delivery or recognized overnight delivery to: (i) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065, Attn: Executive Director; (ii) the Trustee at TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034, Attn: Corporate Trust Services; and (iii) the County at 49 Rancocas Road, Mount Holly, New Jersey 08060, Attn: County Treasurer, or to such other representatives or addresses as the Commission, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

SECTION 9.8. Headings. The Article and Section headings in this Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 9.9. Non-Waiver. It is understood and agreed that nothing contained in this Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Agreement.

SECTION 9.10. Survival of Agreement. Notwithstanding anything herein to the contrary, the provisions of Sections 5.2 (to the extent permitted by State law), 6.4 and 6.10 hereof shall survive the expiration of the Lease Term and the final maturity of the Series 2018 Bonds.

SECTION 9.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative as its duly authorized officer and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest:

BURLINGTON COUNTY
BRIDGE COMMISSION

By: _____
Secretary
Representative
[SEAL]

By: _____
Authorized Commission

Attest:

COUNTY OF BURLINGTON,
NEW JERSEY

By: _____
Clerk of the Board of Chosen
Representative
Freeholders

By: _____
Authorized County

[SEAL]

EXHIBIT B

BASIC RENT PAYMENT SCHEDULE
(IMPROVEMENT PROJECT ALLOCABLE PORTION OF THE Series 2018 Bonds)

<u>Lease Payment Date</u>	<u>Basic Rent Principal Amount</u>	<u>Basic Rent Interest Amount</u>	<u>Basic Rent Total</u>
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Requisition Ref. No. 2018-_____

EXHIBIT C

REQUISITION FOR PAYMENTS FROM IMPROVEMENT PROJECT
ACCOUNT OF THE PROJECT FUND

REQUISITION

I, the undersigned Authorized County Representative of the County of Burlington, New Jersey (the "County") DO HEREBY CERTIFY pursuant to and in accordance with the terms of a resolution of the Burlington County Bridge Commission (the "Commission") duly adopted on October __, 2019, entitled "Resolution of The Burlington County Bridge Commission Authorizing the Issuance of General Obligation Lease Revenue Bonds (2018 County Leasing Program), Series 2019", as amended, restated, modified and supplemented from time to time (the "Resolution") as follows (capitalized terms shall have the meaning set forth in the Improvement Lease and Agreement between the Commission and the County dated _____, 2019 (the "Agreement")):

A. Description of Request

1. The Trustee is hereby directed to make payment under this Requisition to the payee named in Schedule A attached hereto.

2. The amount to be disbursed under this Requisition is \$_____.

B. County Representations

As required under the Resolution, I HEREBY CERTIFY as follows:

1. (Strike out either A or B, whichever does not apply.)

- (A) \$_____ of the moneys to be disbursed pursuant to this Requisition are to be used to pay for work done in performance of any construction contract.
- (B) None of the moneys to be disbursed pursuant to this Requisition are to be used to pay for work done in performance of any construction contract.

2. If any of the moneys requisitioned by this Requisition from the Improvement Project Account of the Project Fund are for expenses that have been incurred by the County for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs of revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Improvement Project or payments that are to be made for labor and to contractors, builders and materialmen in connection with such construction or payments that are to be made for restoration of property which has been damaged or destroyed in connection with construction of the Improvement Project, I have made an investigation as to such expenses and, to the best of my knowledge, each such obligation has been properly incurred by the County and, insofar as such obligation was incurred 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 Improvement Project or that such materials, supplies or equipment were fabricated for the construction thereof.

3. Each obligation mentioned herein has been incurred by the County and is a proper charge against the Improvement Project Account of the Project Fund, is a proper Cost of the Improvement Project for which the Improvement Project Account of the Project Fund was established, is unpaid and has not been the basis of any previous Requisition.

4. As a condition of receiving any payments under this Requisition, the County represents that it 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 amounts payable under this Requisition to any of the payees named in this Requisition, or if any lien, attachment or claim has been filed with or served upon the County, such lien, attachment or claim has been released or discharged.

5. The payments to be made pursuant to this Requisition do not include any items which represent payment on account of any retained percentages which the County is, as of the date hereof, entitled to retain.

6. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON,

NEW JERSEY

By: _____
Authorized County Representative
Name:
Title:

Dated:

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY
BRIDGE COMMISSION

By: _____
Authorized Commission
Name:
Title:

Representative

Dated:

SCHEDULE A

Name:

Address:

Amount: \$

Funds to be Disbursed from

Improvement Project Account of the Project Fund

\$

Description of Product/Service:

EXHIBIT D

FORM OF OPINION OF GENERAL COUNSEL/
BOND COUNSEL TO COUNTY

EXHIBIT E

CERTIFICATE AS TO AUTHORIZED
COUNTY REPRESENTATIVE

I, _____, the duly elected and acting Director of the Board of Chosen Freeholders of the COUNTY OF BURLINGTON, NEW JERSEY (the "County"), a municipal corporation of the State of New Jersey, DO HEREBY CERTIFY that I am duly authorized under the Agreement (as hereinafter defined) to execute and deliver this Certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY as follows:

1. _____ is the Treasurer of the County.
2. _____ is the Administrator/Board Clerk of the County.

3. The following individual(s) have each been designated as Authorized County Representatives in accordance with the provisions of the Agreement and each are duly qualified, empowered and authorized so to act on behalf of the County and to deliver documents on behalf of the County.

<u>Name</u>	<u>Signature</u>
_____	_____
_____	_____

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in the Improvement Lease and Agreement dated _____, 2019 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, 2019.

COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Name:

Title: Freeholder Director

Commissioner Singleton moved to approve. Chairman Comegno seconded the motion. The motion passed unanimously.

PUBLIC COMMENT

Chairman Comegno called for any public comment to come before the Commission. Hearing none, Commissioner Singleton moved to adjourn the meeting. Chairman Comegno seconded the motion. The motion passed unanimously.

Respectfully submitted,



Kathleen M. Wiseman
Secretary