

## NEW ISSUE-BOOK ENTRY ONLY

**RATINGS: See "RATING" herein**

*In the opinion of Bond Counsel, based on certifications of the Commission and the County (each as hereinafter defined) and assuming continuing compliance with their respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Notes (as hereinafter defined), interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. For certain corporate Holders, interest on the Notes is includable in adjusted current earnings for purposes of computing such Holders' alternative minimum tax liability. In the opinion of Bond Counsel, interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**\$77,275,000**

### **BURLINGTON COUNTY BRIDGE COMMISSION**

**(Burlington County, New Jersey)**

**\$24,905,000 LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2017A**  
**(Non-Callable)**

**and**

**\$52,370,000 LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2017B**  
**(Non-Callable)**

**Dated: April 25, 2017 ("Date of Delivery")**

**Due: April 24, 2018**

The \$77,275,000 aggregate principal amount of Burlington County Bridge Commission (the "Commission"), Lease Revenue Notes (Governmental Leasing Program), Series 2017 consisting of: (i) \$24,905,000 aggregate principal amount of Commission, Lease Revenue Notes (Governmental Leasing Program), Series 2017A (the "2017A Notes"); and (ii) \$52,370,000 Commission Lease Revenue Notes (Governmental Leasing Program), Series 2017B (the "2017B Notes", and together with the 2017A Notes, the "Notes") shall be issued in fully registered book-entry-only form without coupons in denominations of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Notes.

Each series of the Notes will be dated the Date of Delivery and will bear interest from that date at the respective rates per annum set forth on the inside front cover page, calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year, and will mature on April 24, 2018. The Notes are *not* subject to optional redemption prior to maturity.

Upon initial issuance, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Notes. So long as Cede & Co. is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by TD Bank, National Association (the "Trustee" and "Paying Agent") directly to DTC or its nominee, Cede & Co., which will remit such payments to the Direct Participants (as hereinafter defined) which will, in turn remit such payments to the Indirect Participants (as hereinafter defined) of the Notes. Beneficial Owners (as hereinafter defined) will not receive certificates representing their ownership interest in the Notes purchased. For so long as any purchaser is a Beneficial Owner of the Notes, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on the Notes. The principal of and interest on the Notes will be credited to the Direct Participants (hereinafter defined) as listed on the records of DTC as of the close of business on April 23, 2018 (the "Notes Record Date").

The 2017A Notes are issued pursuant to the Self Liquidating Bridges Act of the State of New Jersey, constituting Article 2 of Chapter 17 of the Pamphlet Laws of 1934, as amended and supplemented (the "Act"), a resolution of the Commission duly adopted on June 18, 2013 entitled "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013, Consisting Of County Guaranteed Lease Revenue Refunding Bonds And Lease Revenue Bonds Or Notes", as amended and restated on May 13, 2014 and as further supplemented and amended on October 14, 2015, March 15, 2016 and March 17, 2017 (collectively, the "2013 Bond Resolution"), including by a certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising the powers delegated by the 2013 Bond Resolution (the "2017A Series Certificate" and together with the 2013 Bond Resolution, the "2013 Resolution"). The 2017A Notes are being issued for the purpose of: (i) currently refunding the outstanding \$24,905,000 aggregate principal amount of Commission Lease Revenue Notes (Governmental Leasing Program), Series 2016A (the "2016A Refunded Notes") maturing on April 26, 2017; and (ii) paying costs and expenses associated with the issuance of the 2017A Notes (collectively, the "2017A Note Project").

The 2017B Notes are issued pursuant to the Act, a resolution of the Commission duly adopted on March 10, 2015 entitled "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of Lease Revenue Bonds Or Notes (Governmental Leasing Program), Series 2015", as supplemented and amended on October 14, 2015, March 15, 2016 and March 17, 2017 (collectively, the "2015 Bond Resolution" and together with the 2013 Bond Resolution, the "Bond Resolutions"), including by a certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising the powers delegated by the 2015 Bond Resolution (the "2017B Series Certificate" and together with the 2015 Bond Resolution, the "2015 Resolution"; the 2017B Series Certificate together with the 2017A Series Certificate, the "Series Certificates"; and the Bond Resolutions together with the Series Certificates, are collectively known as the "Resolutions"). The 2017B Notes are being issued for the purpose of: (i) currently refunding all of the outstanding \$49,870,000 aggregate principal amount of Commission Lease Revenue Notes (Governmental Leasing Program), Series 2016B (the "2016B Refunded Notes", and together with the 2016A Refunded Notes, the "Prior Notes") maturing on April 26, 2017; and (ii) financing capital improvements in the amount of \$2,500,000 for which obligations have been authorized, but not issued; and (iii) paying costs and expenses associated with the issuance of the 2017B Notes (collectively, the "2017B Note Project", and together with the 2017A Note Project, the "Project"). See "COUNTY CAPITAL PROGRAM" herein.

On or before the date of issuance of the 2017A Notes, the Commission will enter into (i) a Fifth Amendment (the "Fifth Improvement Lease Amendment") to the Improvement Lease and Agreement, dated November 19, 2013, with the County, as amended (collectively, the "2013 Improvement Lease"), with respect to certain capital improvements (collectively, the "2013 Improvements") and (ii) a Fifth Amendment (the "Fifth Equipment Lease Amendment" and together with the Fifth Improvement Lease Amendment, the "Fifth Amendments") to the Equipment Lease and Agreement, dated November 19, 2013, with the County, as amended (collectively, the "2013 Equipment Lease"; and together with the 2013 Improvement Lease, the "2013 Leases"), with respect to certain items of capital equipment (collectively, the "2013 Equipment") as security for payment of the 2017A Notes. On or before the date of issuance of the 2017B Notes, the Commission will enter into (i) a Third Amendment (the "Third Improvement Lease Amendment") to the Improvement Lease and Agreement, dated May 5, 2015, with the County (the "2015 Improvement Lease"), with respect to certain capital improvements (collectively, the "2015 Improvements", and together with the 2013 Improvements, the "Improvements"), and (ii) a Third Amendment (the "Third Equipment Lease Amendment" and together with the Third Improvement Lease Amendment, the "Third Amendments") to the Equipment Lease and Agreement, dated May 5, 2015, with the County (the "2015 Equipment Lease" and together with the 2015 Improvement Lease, the "2015 Leases"; the 2015 Leases together with the 2013 Leases are collectively known as the "Leases"), with respect to certain items of capital equipment (collectively, the "2015 Equipment" and together with the 2013 Equipment, the "Equipment") as security for payment of the 2017B Notes.

The Notes will be direct and special obligations of the Commission. The 2017A Notes will be payable solely from and secured by the Pledged Property of the Commission as such term is defined in the 2013 Resolution, and from any other moneys pledged therefor under the 2013 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 of and the interest on the 2017A Notes is subject to the terms of the 2013 Resolution. The 2017B Notes will be payable solely from and secured by the Pledged Property of the Commission as such term is defined in the 2015 Resolution, and from any other moneys pledged therefor under the 2015 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 of and the interest on the 2017B Notes is subject to the terms of the 2015 Resolution.

THE OBLIGATION OF THE COUNTY TO MAKE RENTAL PAYMENTS UNDER THE RESPECTIVE LEASES IS A DIRECT AND GENERAL OBLIGATION OF THE COUNTY PAYABLE, UNLESS PAID FROM SOME OTHER SOURCE, FROM THE LEVY OF *AD VALOREM* TAXES UPON ALL THE TAXABLE REAL PROPERTY WITHIN THE JURISDICTION OF THE COUNTY, WITHOUT LIMITATION AS TO RATE OR AMOUNT.

THE NOTES SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE COMMISSION, TO THE EXTENT OF THE RESPECTIVE PLEDGED PROPERTY PURSUANT TO THE RESPECTIVE BOND RESOLUTIONS, AND THE COUNTY, TO THE EXTENT OF ITS RENTAL PAYMENTS PURSUANT TO THE RESPECTIVE LEASES) OR BE OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE COMMISSION, TO THE EXTENT OF THE RESPECTIVE PLEDGED PROPERTY PURSUANT TO THE RESPECTIVE BOND RESOLUTIONS, AND THE COUNTY, TO THE EXTENT OF ITS RENTAL PAYMENTS PURSUANT TO THE RESPECTIVE LEASES). NEITHER THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE COMMISSION, TO THE EXTENT OF THE RESPECTIVE PLEDGED PROPERTY PURSUANT TO THE RESPECTIVE BOND RESOLUTIONS, AND THE COUNTY, TO THE EXTENT OF ITS RENTAL PAYMENTS PURSUANT TO THE RESPECTIVE LEASES) IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE NOTES. THE NOTES SHALL BE PAYABLE SOLELY FROM THE RESPECTIVE PLEDGED PROPERTY AS AUTHORIZED BY THE ACT AND THE RESPECTIVE BOND RESOLUTIONS. THE COMMISSION HAS NO TAXING POWER.

**This cover page contains certain information for quick reference only and is not a summary of the issue. Investors must read the entire Official Statement, including all Appendices attached hereto, to obtain information essential to the making of an informed investment decision.**

*The Notes are offered when, as and if issued by the Commission and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of Capehart & Scatchard, P.A., Trenton, New Jersey, and certain other conditions described herein. Certain legal matters concerning the Commission will be passed on for the Commission by Anthony T. Drollas, Jr., Esquire, Trenton, New Jersey, General Counsel for the Commission. Certain legal matters concerning the lease obligations of the County will be passed on for the County by Kendall J. Collins, Esquire, County Solicitor, and Parker McCay P.A., Mount Laurel, New Jersey, County Bond Counsel, and for the Underwriter by its counsel McManimon, Scotland & Baumann, L.L.C., Roseland, New Jersey. Acacia Financial Group, Inc., Marlton, New Jersey has acted as Financial Advisor to the Commission in connection with the issuance of the Notes. It is expected that the Notes will be available for delivery through the facilities at DTC in New York, New York on or about April 25, 2017.*



**Dated: April 12, 2017**

**\$77,275,000**  
**BURLINGTON COUNTY BRIDGE COMMISSION**  
**(Burlington County, New Jersey)**

**\$24,905,000 LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2017A**

**(Non-Callable)**

**Interest Rate: 2.00%**

**Yield: 1.15%**

**\*CUSIP No.: 121651 KJ1**

**and**

**\$52,370,000 LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2017B**

**(Non-Callable)**

**Interest Rate: 2.00%**

**Yield: 1.15%**

**\*CUSIP No.: 121651 KK8**

\* "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above for each series of the Notes are being provided solely for the convenience of holders of the Notes only at the time of issuance of the Notes. The Commission does not make any representations with respect to such CUSIP numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity of each series of the Notes is subject to being changed after the issuance of the Notes as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of each series of the Notes.

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

**COMMISSIONERS**

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

**EXECUTIVE DIRECTOR**

John D. Jeffers

**SOLICITOR**

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

**BOND COUNSEL**

Capehart & Scatchard, P.A.  
Trenton, New Jersey

**INDEPENDENT AUDITOR**

Bowman & Company LLP  
Voorhees, New Jersey

**FINANCIAL ADVISOR**

Acacia Financial Group, Inc.  
Marlton, New Jersey

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

**BOARD OF CHOSEN FREEHOLDERS**

Bruce Garganio, Director  
Kate Gibbs, Deputy Director  
Linda Hughes, Freeholder  
Latham Tiver, Freeholder  
Ryan Peters, Freeholder

**COUNTY OFFICIALS**

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

**COUNTY BOND COUNSEL**

Parker McCay P.A.  
Mount Laurel, New Jersey

**INDEPENDENT AUDITOR**

Bowman & Company LLP  
Voorhees, New Jersey

The information set forth herein has been provided by the Burlington County Bridge Commission (the "Commission") and by other sources that are believed to be reliable by the Commission, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Commission. Certain general and financial information concerning the County of Burlington, New Jersey (the "County"), is contained in Appendices A and B to this Official Statement. Such information has been furnished by the County. The Commission has not confirmed the accuracy or completeness of information relating to the County and disclaims any responsibility for the accuracy or completeness thereof. PNC Capital Markets LLC (the "Underwriter") has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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

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

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

Upon issuance, the Notes will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the Commission (subject to the limitations set forth above), will have passed upon the accuracy or adequacy of this Official Statement.

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

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

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**OFFICIAL STATEMENT  
OF  
THE BURLINGTON COUNTY BRIDGE COMMISSION  
Relating to its**

**\$77,275,000  
BURLINGTON COUNTY BRIDGE COMMISSION  
(Burlington County, New Jersey)**

Consisting of

**\$24,905,000 LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM),  
SERIES 2017A**

**(Non-Callable)**

and

**\$52,370,000 LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM),  
SERIES 2017B**

**(Non-Callable)**

**INTRODUCTION**

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by the Burlington County Bridge Commission (the “Commission”), a public body corporate and politic of the State of New Jersey (the “State”), to provide certain information relating to the Commission, the County of Burlington, New Jersey (the “County”), and the (i) \$24,905,000 aggregate principal amount of Commission, Lease Revenue Notes (Governmental Leasing Program), Series 2017A (the “2017A Notes”); and (ii) \$52,370,000 Commission Lease Revenue Notes (Governmental Leasing Program), Series 2017B (the “2017B Notes”, and together with the 2017A Notes, the “Notes”) to be issued by the Commission.

The 2017A Notes are issued pursuant to the Self Liquidating Bridges Act of the State of New Jersey, constituting Article 2 of Chapter 17 of the Pamphlet Laws of 1934, as amended and supplemented (the “Act”), a resolution of the Commission duly adopted on June 18, 2013 entitled “Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013, Consisting Of County Guaranteed Lease Revenue Refunding Bonds And Lease Revenue Bonds Or Notes”, as amended and restated on May 13, 2014 and as further supplemented and amended on October 14, 2015, March 15, 2016 and March 17, 2017 (collectively, the “2013 Bond Resolution”), including by a certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising the powers delegated by the 2013 Bond Resolution (the “2017A Series Certificate” and together with the 2013 Bond Resolution, the “2013 Resolution”). The 2017A Notes are being issued for the purpose of: (i) currently refunding the outstanding \$24,905,000 aggregate principal amount of Commission Lease Revenue Notes (Governmental Leasing Program), Series 2016A (the “2016A Refunded Notes”) maturing on April 26, 2017; and (ii) paying costs and expenses associated with the issuance of the 2017A Notes (collectively, the “2017A Note Project”). Reference is made to “APPENDIX C – COPY

OF THE 2013 BOND RESOLUTION” hereto for a more complete description of the provisions of the 2013 Bond Resolution.

The 2017B Notes are issued pursuant to the Act, a resolution of the Commission duly adopted on March 10, 2015 entitled “Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of Lease Revenue Bonds Or Notes (Governmental Leasing Program), Series 2015”, as supplemented and amended on October 14, 2015, March 15, 2016 and March 17, 2017 (collectively, the “2015 Bond Resolution” and together with the 2013 Bond Resolution, the “Bond Resolutions”), including by a certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising the powers delegated by the 2015 Bond Resolution (the “2017B Series Certificate” and together with the 2015 Bond Resolution, the “2015 Resolution”; the 2017B Series Certificate together with the 2017A Series Certificate, the “Series Certificates”; and the Bond Resolutions together with the Series Certificates, are collectively known as the “Resolutions”). The 2017B Notes are being issued for the purpose of: (i) currently refunding all of the outstanding \$49,870,000 aggregate principal amount of Commission Lease Revenue Notes (Governmental Leasing Program), Series 2016B (the “2016B Refunded Notes”, and together with the 2016A Refunded Notes, the “Prior Notes”) maturing on April 26, 2017; (ii) financing capital improvements in the amount of \$2,500,000 for which obligations have been authorized but not issued; and (iii) paying costs and expenses associated with the issuance of the 2017B Notes (collectively, the “2017B Note Project”, and together with the 2017A Note Project, the “Project”). Reference is made to “APPENDIX D – COPY OF THE 2015 BOND RESOLUTION” hereto for a more complete description of the provisions of the 2015 Bond Resolution.

On or before the date of issuance of the 2017A Notes, the Commission will enter into (i) a Fifth Amendment (the “Fifth Improvement Lease Amendment”) to the Improvement Lease and Agreement, dated November 19, 2013, with the County, as amended (collectively, the “2013 Improvement Lease”), with respect to certain capital improvements (collectively, the “2013 Improvements”) and (ii) a Fifth Amendment (the “Fifth Equipment Lease Amendment” and together with the Fifth Improvement Lease Amendment, the “Fifth Amendments”) to the Equipment Lease and Agreement, dated November 19, 2013, with the County, as amended (collectively, the “2013 Equipment Lease”; and together with the 2013 Improvement Lease, the “2013 Leases”), with respect to certain items of capital equipment (collectively, the “2013 Equipment”) as security for payment of the 2017A Notes. Reference is made to “APPENDIX E – COPIES OF THE 2013 LEASES, AS AMENDED BY THE FIFTH AMENDMENTS” hereto for a more complete description of the provisions of the 2013 Leases.

On or before the date of issuance of the 2017B Notes, the Commission will enter into (i) a Third Amendment (the “Third Improvement Lease Amendment”) to the Improvement Lease and Agreement, dated May 5, 2015, with the County (the “2015 Improvement Lease”), with respect to certain capital improvements (collectively, the “2015 Improvements”, and together with the 2013 Improvements, the “Improvements”), and (ii) a Third Amendment (the “Third Equipment Lease Amendment” and together with the Third Improvement Lease Amendment, the “Third Amendments”) to the Equipment Lease and Agreement, dated May 5, 2015, with the County (the “2015 Equipment Lease” and together with the 2015 Improvement Lease, the “2015 Leases”; the 2015 Leases together with the 2013 Leases are collectively known as the “Leases”), with respect to certain items of capital equipment (collectively, the “2015 Equipment” and together with the 2013 Equipment, the “Equipment”) as security for payment of the 2017B

Notes. See “THE COUNTY CAPITAL PROGRAM” herein. Reference is made to “APPENDIX F – COPIES OF THE 2015 LEASES, AS AMENDED BY THE THIRD AMENDMENTS” hereto for a more complete description of the provisions of the 2015 Leases.

The Notes will be direct and special obligations of the Commission. The 2017A Notes will be payable solely from and secured by the Pledged Property of the Commission as such term is defined in the 2013 Resolution, and from any other moneys pledged therefor under the 2013 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 of and the interest on the 2017A Notes is subject to the terms of the 2013 Resolution. The 2017B Notes will be payable solely from and secured by the Pledged Property of the Commission as such term is defined in the 2015 Resolution, and from any other moneys pledged therefor under the 2015 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 of and the interest on the 2017B Notes is subject to the terms of the 2015 Resolution.

THE OBLIGATION OF THE COUNTY TO MAKE RENTAL PAYMENTS UNDER THE RESPECTIVE LEASES IS A DIRECT AND GENERAL OBLIGATION OF THE COUNTY PAYABLE, UNLESS PAID FROM SOME OTHER SOURCE, FROM THE LEVY OF *AD VALOREM* TAXES UPON ALL THE TAXABLE REAL PROPERTY WITHIN THE JURISDICTION OF THE COUNTY, WITHOUT LIMITATION AS TO RATE OR AMOUNT.

THE NOTES SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE COMMISSION, TO THE EXTENT OF THE RESPECTIVE PLEDGED PROPERTY PURSUANT TO THE RESPECTIVE BOND RESOLUTIONS, AND THE COUNTY, TO THE EXTENT OF ITS RENTAL PAYMENTS PURSUANT TO THE RESPECTIVE LEASES) OR BE OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE COMMISSION, TO THE EXTENT OF THE RESPECTIVE PLEDGED PROPERTY PURSUANT TO THE RESPECTIVE BOND RESOLUTIONS, AND THE COUNTY, TO THE EXTENT OF ITS RENTAL PAYMENTS PURSUANT TO THE RESPECTIVE LEASES). NEITHER THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE COMMISSION, TO THE EXTENT OF THE RESPECTIVE PLEDGED PROPERTY PURSUANT TO THE RESPECTIVE BOND RESOLUTIONS, AND THE COUNTY, TO THE EXTENT OF ITS RENTAL PAYMENTS PURSUANT TO THE RESPECTIVE LEASES) IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE NOTES. THE NOTES SHALL BE PAYABLE SOLELY FROM THE RESPECTIVE PLEDGED PROPERTY AS AUTHORIZED BY THE ACT AND THE RESPECTIVE BOND RESOLUTIONS. THE COMMISSION HAS NO TAXING POWER.

Copies of the Bond Resolutions and the Leases are on file at the offices of the Commission in Palmyra, New Jersey and at the principal corporate trust office of TD Bank, National Association (the “Trustee” and “Paying Agent”) in Cherry Hill, New Jersey. Reference is made to such documents for the respective provisions relating to, among other things, the terms of and the security for the Notes, the custody and application of the proceeds of the Notes, the rights and remedies of the Holders of the Notes, and the rights, duties and obligations of the Commission, the County and the Trustee.

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

## **DESCRIPTION OF THE NOTES**

### **The Notes**

The 2017A Notes shall be in fully registered book-entry-only form in denominations of \$5,000 or any integral multiple thereof. The 2017A Notes shall bear interest at the rate of two per centum (2.00%) per annum, calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The 2017B Notes shall be in fully registered book-entry-only form in denominations of \$5,000 or any integral multiple thereof. The 2017B Notes shall bear interest at the rate of two per centum (2.00%) per annum, calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

Each Series of the Notes will be dated April 25, 2017 and will mature on April 24, 2018 (the "Maturity Date"). Principal of and interest on the Notes will be paid at maturity.

### **Redemption**

The Notes are *not* subject to redemption prior to maturity.

### **Book-Entry-Only System**

So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Notes, payment of the principal of and interest on the Notes will be made directly to Cede & Co. (or any successor or assign), as nominee of DTC. The principal of and interest on the Notes will be credited to the Direct Participants (hereinafter defined) as listed on the records of DTC as of the close of business on April 23, 2018 (the "Notes Record Date").

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to Direct Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC,

Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Commission. Accordingly, the Commission does not make any representations as to the completeness or accuracy of such information.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). So long as the Notes are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the Notes.

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

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC

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

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

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

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Commission or the Paying Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Participants.

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

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

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

**NEITHER THE COMMISSION NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.**

**SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION “TAX MATTERS”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.**

#### **Discontinuation of Book-Entry-Only System**

If the Commission, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Notes at any time, the Commission will attempt to locate another qualified securities depository. If the Commission fails to find such a securities depository or if the Commission determines, in its sole discretion, that it is in the best interest of the Commission or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Commission undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Commission shall notify DTC of the termination of the book-entry-only system.

### **PLAN OF FINANCING**

#### **Overview**

The 2017A Notes are being issued for the purpose of: (i) currently refunding the outstanding \$24,905,000 aggregate principal amount of the 2016A Refunded Notes maturing on April 26, 2017; and (ii) paying costs and expenses associated with the issuance of the 2017A Notes.

The 2017B Notes are being issued for the purpose of: (i) currently refunding the outstanding \$49,870,000 aggregate principal amount of the 2016B Refunded Notes maturing on April 26, 2017; (ii) financing capital improvements in the amount of \$2,500,000 for which obligations have been authorized, but not issued; and (iii) paying costs and expenses associated with the issuance of the 2017B Notes.

## **Review by Local Finance Board**

Pursuant to the requirements of the Fiscal Control Law, on March 17, 2017, the Commission submitted a letter to the Local Finance Board advising them of the plan to renew the Prior Notes, and finance additional project costs in the amount of \$2,500,000 for which obligations have been authorized but not issued. Approval for such a requested renewal is automatic if the Director fails to disapprove of the requested renewal within ten (10) days of receipt. Such ten day period has passed with no comment from the Director.

## **Action by County**

**The 2017A Notes.** The Board of Chosen Freeholders of the County, by a lease agreement ordinance duly and finally adopted on December 27, 2012, authorized an aggregate appropriation of not-to-exceed \$60,000,000 for, *inter alia*, the costs of the 2012 County Capital Program of which \$27,660,000 has been previously bonded and \$24,905,000 was re-financed with the proceeds of the 2016A Refunded Notes which mature on April 26, 2017, and the execution, delivery and performance of the 2013 Leases. The Board of Chosen Freeholders of the County authorized the execution, delivery and performance of the Fifth Amendment to the 2013 Leases in connection with the issuance of the 2017A Notes by resolution adopted on March 22, 2017. The 2013 Leases provide for the payment of Rental Payments by the County in amounts sufficient, in the aggregate, to pay the principal of and interest on the Series 2017A Notes.

**The 2017B Notes.** The Board of Chosen Freeholders of the County, by lease agreement ordinances duly and finally adopted on November 27, 2013 and November 26, 2014, authorized an aggregate appropriation of not-to-exceed \$99,500,000 for, *inter alia*, the costs of the County Capital Program of which (i) \$49,870,000 was re-financed with the proceeds of the 2016B Refunded Notes which mature on April 26, 2017, and the execution, delivery and performance of the 2015 Leases. The Board of Chosen Freeholders of the County authorized the execution, delivery and performance of the Third Amendments to the 2015 Leases in connection with the issuance of the 2017B Notes by resolution adopted on March 22, 2017. The 2015 Leases provide for the payment of Rental Payments by the County in amounts sufficient, in the aggregate to pay the principal of and interest on the 2017B Notes.

## **Application of Note Proceeds and Leases**

Upon issuance of the Notes (i) \$24,905,000 of the net proceeds of the 2017A Notes, together with other available funds of the County in the amount of \$25,401,716.39, will be deposited into the 2017 Obligation Account of the Debt Service Fund of the 2013 Bond Resolution to pay the maturing principal of and accrued interest on the 2016A Refunded Notes, (ii) \$49,870,000 of the net proceeds of the 2017B Notes, together with other available funds of the County in the amount of \$50,864,629.44, will be deposited into the 2017 Project Note Account of the Debt Service Fund of the 2015 Bond Resolution to pay the maturing principal of and accrued interest on the 2016B Refunded Notes, (iii) \$2,500,000 of the net proceeds of the 2017B Notes will be deposited into the 2015 Project Account of the Project Fund of the 2015 Bond Resolution and used to pay the additional Costs of the County Capital Program, and (iv) the remainder of the net proceeds of the Notes will be used to pay certain costs and expenses incidental to the issuance and delivery of the Notes. See “ESTIMATED SOURCES AND USES



OF FUNDS” herein. Pursuant to the respective terms of the Leases and during the respective Lease Terms, the Commission will continue to hold title to the Improvements and Equipment financed and re-financed with proceeds of the Notes.

### **THE COUNTY CAPITAL PROGRAM**

The proceeds of the Prior Notes, were and will be used to finance the initial costs of construction, acquisition and installation, as applicable, of Improvements and Equipment constituting part of the County Capital Program implemented by the County. The complete County Capital Program is described in detail in the respective Exhibits to the Leases and listed below, and shall include any Equipment or Improvements acquired or constructed in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, any existing Equipment or Improvements as permitted under the respective Leases.

“Cost” or “Costs”, as defined in the Leases, shall mean and be deemed to include, with respect to any Item of Equipment or any Improvement, together with any other proper and reasonable item of cost not specifically mentioned in the Leases, whether incurred prior to or after the date of the Leases, (a) the costs of payment of, or reimbursement for, acquisition, installation and financing of each such Item of Equipment or 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 Improvement Project Allocable Portion and the Equipment Project Allocable Portion of the fees and charges of the Trustee pursuant to the Bond Resolutions, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Commission Financing Fee for the respective Series of Notes, 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 Notes, 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 and Improvements constituting the Improvement Project, each 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 or Improvement; (e) the Improvement Project Allocable Portion and the Equipment Project Allocable Portion of the deposits in any Fund or Account under the terms of the Bond Resolutions, all as shall be provided in the Bond Resolutions; (f) the payment of Debt Service on the respective Series of the Notes; (g) the Improvement Project Allocable Portion and the Equipment Project Allocable Portion of the Commission Administrative Expenses; and (h) such other expenses which are not specified in the Leases as may be necessary or incidental to the acquisition and installation of any Item of Equipment or Improvement, the financing thereof and the placing of the same in use and operation. “Cost” or “Costs”, as defined in the Leases, shall be deemed to include the Improvement Project Allocable Portion and 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.

Under each of the Leases, the County has reserved the right to add or substitute in a new Item of Equipment or Improvement when all of the following conditions are satisfied: (i) a certification by the County that the applicable Project Account has a sufficient balance to pay for the added or substituted Items of Equipment or Improvements; (ii) that a new Exhibit "A" or Exhibit "B" to the applicable Lease is delivered to the Trustee setting forth the new Items of Equipment to be acquired and/or Improvements to be constructed; (iii) an opinion of counsel that is selected by and satisfactory to the Commission to the effect that each of such substitutions and the applicable Lease, as supplemented thereby, are in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Commission; and (iv) an opinion of Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on the applicable tax-exempt obligations (including the Outstanding Notes) from the gross income of the Holders thereof for federal income taxation purposes.

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The following is a list of the Improvements and Equipment constituting the County Capital Program, a portion of which is funded with the proceeds of the Series 2017A Notes:

<b><u>Item</u></b>	<b><u>Category</u></b>	<b><u>Improvements and Equipment</u></b>	<b><u>Cost</u></b>
I	Building and Grounds	County Buildings and Improvements	\$5,573,709
		Human Services Building Improvements	780,071
		Other Building Renovations & Upgrades	1,896,913
<b>II</b>			
	Engineering	Bridge Improvements	4,305,383
		Road Improvements	8,454,951
		Miscellaneous	725,290
<b>III</b>			
	Highway	Heavy Equipment	26,973
<b>IV</b>			
	Minor Capital	Capital Equipment	2,734,414
<b>V</b>			
	Public Safety – Emergency Management	Radio Systems/Tower Lighting/Misc.	357,236
<b>VI</b>			
	County-Wide Fleet Upgrade	Light Duty Trucks and Sport Utility Vehicles	145,060
<b>TOTAL</b>			<b>\$25,000,000</b>

Items I, II and III above are subject to the 2013 Improvement Lease. Items IV, V and VI above are subject to the 2013 Equipment Lease.

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The following is a list of the Improvements and Equipment constituting the County Capital Program a portion of which is funded with the proceeds of the Series 2017B Notes:

<b><u>Item</u></b>	<b><u>Category</u></b>	<b><u>Improvements and Equipment</u></b>	<b><u>Cost</u></b>
I	Building and Grounds	County Buildings and Improvements	\$16,657,178
<b>II</b>			
	Engineering	Bridge Improvements	15,507,869
		Road Improvements	33,337,422
		Miscellaneous	1,679,872
<b>III</b>			
	Highway	Heavy Equipment	1,703,369
<b>IV</b>			
	Minor Capital	Capital Equipment	4,903,279
<b>V</b>			
	Public Safety – Emergency Management	Radio Systems/Tower Lighting/Misc.	16,632,122
<b>VI</b>			
	County-Wide Fleet Upgrade	Light Duty Trucks and Sport Utility Vehicles	4,078,889
<b>TOTAL<sup>(1)</sup></b>			<b><u>\$94,500,000</u></b>
(1) The County expects to receive \$8,562,100 in Federal and State Grants			

Items I and II above will be subject to the 2015 Improvement Lease. Items III, IV, V and VI will be subject to the 2015 Equipment Lease.

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**ESTIMATED SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Notes:

<b>Sources of Funds:</b>	<u>2017A Notes</u>	<u>2017B Notes</u>	<u>Total</u>
Par Amount	\$24,905,000.00	\$52,370,000.00	\$77,275,000.00
Original Issue Premium	<u>208,703.90</u>	<u>438,860.60</u>	<u>647,564.50</u>
<b>TOTAL SOURCES OF FUNDS</b>	<u>25,113,703.90</u>	<u>52,808,860.60</u>	<u>77,922,564.50</u>
<b>Uses of Funds:</b>			
Deposit to 2016A Obligation Account of Debt Service Fund <sup>(1)</sup>	\$24,974,403.90	-0-	\$24,974,403.90
Deposit to 2016B Project Note Account of Debt Service Fund <sup>(2)</sup>	-0-	\$50,058,898.51	50,058,898.51
Deposit to 2015 Project Account - Project Fund <sup>(3)</sup>	-0-	2,500,000.00	2,500,000.00
Costs of Issuance <sup>(4)</sup>	<u>139,300.00</u>	<u>249,962.09</u>	<u>389,262.09</u>
<b>TOTAL USES OF FUNDS</b>	<u>25,113,703.90</u>	<u>52,808,860.60</u>	<u>77,922,564.50</u>

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<sup>(1)</sup> To be used to pay maturing principal of and accrued interest on the 2016A Refunded Notes which mature on April 26, 2017.

<sup>(2)</sup> To be used to pay maturing principal of and accrued interest on the 2016B Refunded Notes which mature on April 26, 2017.

<sup>(3)</sup> Represents an amount which, together with the interest earnings thereon, will be sufficient to provide for additional costs of the County Capital Program. See "PLAN OF FINANCING" and "THE COUNTY CAPITAL PROGRAM" herein.

<sup>(4)</sup> Represents Underwriter's discount and certain other costs and delivery expenses incurred by the Commission and the County in connection with the authorization, issuance and delivery of the Notes.

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## **SECURITY AND SOURCES OF PAYMENT FOR THE NOTES**

### **General**

The Notes are direct and special obligations of the Commission payable solely from the Revenues and secured by a lien on all Pledged Property (as such terms are defined in the respective Bond Resolutions), including, but not limited to: (i) the Revenues; (ii) the Funds and Accounts established under each of the Bond Resolutions (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 and the Improvements constituting the County Capital Program, 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 of and interest on the Notes in accordance with the terms and provisions of the Bond Resolutions. The Revenues so pledged include (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 the Notes, but shall exclude any moneys deposited by the County in the respective Project Note Account within the respective Project Fund in accordance with the provisions of Section 503(2)(b) of the respective Bond Resolutions. Reference is made to "APPENDIX C – COPY OF THE 2013 BOND RESOLUTION", and "APPENDIX D – COPY OF THE 2015 BOND RESOLUTION", "APPENDIX E- COPIES OF THE 2013 LEASES, AS AMENDED BY THE FIFTH AMENDMENTS", and "APPENDIX F- COPIES OF THE 2015 LEASES, AS AMENDED BY THE THIRD AMENDMENTS" hereto for a more complete description of the provisions of the respective Bond Resolutions and the respective Leases.

### **Leases**

The County will make payments of Basic Rent under the respective Leases to the Trustee for the benefit of the Commission no later than the respective Obligation Payment Dates set forth in each Lease (each a "Lease Payment Date"). In addition, the County shall pay to the Trustee, on the applicable Lease Payment Date or thirty (30) days after demand by the Commission or the Trustee, Additional Rent, as the case may be, including all direct and indirect costs and expenses incurred by the Commission in connection with the enforcement of the respective Leases. At the expiration of the respective Lease Term for the Leases and provided that the County has paid all amounts due and owing under the respective Leases and has cured any and all Events of Default or Defaults that may have occurred thereunder, title to the Improvements and/or Equipment financed and/or refinanced with the proceeds of the Notes shall be transferred to the County.

The obligation of the County to make Rental Payments and to pay all other amounts provided for in the respective Leases and to perform its respective obligations under the Leases is absolute and unconditional and secured by the full faith and credit pledge of the County. Such Rental Payments and other amounts are payable by the County 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 Improvements and/or Equipment are used by, or available for use by, the County. The County has covenanted in the respective Leases to include in its annual budget for each Fiscal Year of the respective Lease Term the Rentals which are due and payable or which will become due and payable during such Fiscal Year under the terms of the respective Leases.

The obligation of the County under the respective Leases to make Rental Payments is a direct and general obligation payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County, without limitation as to rate or amount.

Reference is made to “APPENDIX E- COPIES OF THE 2013 LEASES, AS AMENDED BY THE FIFTH AMENDMENTS”, and “APPENDIX F- COPIES OF THE 2015 LEASES, AS AMENDED BY THE THIRD AMENDMENTS” hereto for a more complete description of the provisions of the respective Leases. Reference is made to APPENDICES A and B hereto for certain information regarding the County.

## **THE COMMISSION**

### **General**

The Commission is a public body corporate and politic of the State, created and existing under and by virtue of the Act, pursuant to a resolution of the Board of Chosen Freeholders of the County (the “Board”), duly adopted on October 22, 1948. Upon its creation, the Commission purchased the Tacony-Palmyra Bridge (completed in 1929) and the Burlington-Bristol Bridge (completed in 1931) from the Burlington-Bristol Bridge Company and assumed responsibility for their operation and maintenance. Subsequently, by order to the Board, the Commission assumed jurisdiction over six non-toll bridges in the County, certain approaches to each of the bridges and certain administrative offices and maintenance facilities in Palmyra, New Jersey and Burlington City, New Jersey. In any event, the revenues from the Commission are not pledged to the payment of the Notes. See “- Bridge System Revenues Not Pledged” herein.

### **Powers**

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

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

property; charge and collect tolls, rents, rates, fares, fees or other charges in connection with any project owned, leased or controlled by the Commission.

## **Management**

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

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

## **Administration and Employees**

The Executive Director of the Commission is John D. Jeffers, the Secretary is Kathleen M. Wiseman and the Treasurer is Christine J. Nociti.

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

## **Bridge System Revenues Not Pledged**

The Commission collects revenues from the operation of its bridge system and other operations. Because none of the Commission's revenues, other than the Revenues derived from the respective Leases pledged under the respective Bond Resolutions, are available for payment of debt service on the Notes, no additional financial or other information regarding the Commission is being furnished in this Official Statement.

## **THE COUNTY**

To assist in the marketing of the Notes, the County has compiled certain financial and statistical information concerning the County. The information has been extracted from public records and public documents of the County and from other public or official documents or publications which are referred to herein. See "APPENDIX B - GENERAL INFORMATION CONCERNING THE COUNTY" attached hereto for certain general information and selected financial information concerning the County.

## **PLEDGE OF STATE NOT TO LIMIT POWERS OF COMMISSION OR RIGHTS OF BONDHOLDERS AND NOTEHOLDERS**

The Act sets forth the pledge and agreement of the State with the holders of the bonds, notes (including the Notes), or other indebtedness of the Commission that it will not limit or alter the rights vested by the Act in the Commission to fix, establish and collect tolls or facility charges, and revise such tolls and facility charges when necessary, as will be sufficient to always



comply fully with and fulfill the terms of all agreements and covenants made with the holders of the Commission's obligations and will not in any manner impair, alter or abrogate any other power or obligation vested by the Act in the Commission or the rights and remedies of such holders, until such bonds, notes or other indebtedness, together with the interest thereon, and all costs and expenses in connection with any actions or proceedings taken by or on behalf of such holders, are fully paid and discharged or adequate provision is made for the payment of discharge thereof.

## **LITIGATION**

### **The Commission**

To the knowledge of the Commission's Solicitor, there is no controversy or litigation of any nature now pending or threatened against the Commission restraining or enjoining the authorization, issuance, sale, execution or delivery of the Notes, or the authorization, execution and delivery by the Commission of the Leases, or in any way contesting or affecting the validity of the Notes or the Leases, or any proceedings of the Commission taken with respect to the authorization, issuance, sale, execution or delivery thereof, or the authorization, execution and delivery by the Commission of the Leases, or the pledge or application of any moneys or security provided for the payment of the Notes or the Leases, or the existence or powers of the Commission related to the authorization, issuance, sale, execution or delivery of the Notes or the authorization, execution and delivery by the Commission of the Leases.

### **The County**

To the knowledge of the County Solicitor, Kendall J. Collins, Esquire (the "County Solicitor"), 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 Leases, or in any way contesting or affecting the validity of the Leases, 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 or delivery of the Leases. There is no litigation pending or, to the knowledge of the County, 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 of, the Rental Payments under the respective Leases. To the knowledge of the County Solicitor, no litigation is presently pending or threatened that, in the opinion of the County Solicitor, would have a material adverse impact on the financial condition of the County if adversely decided.

## **TAX MATTERS**

In the opinion of Capehart & Scatchard, P.A., Bond Counsel to the Commission, assuming continuing compliance by the Commission and the County with their respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), pertaining to the issuance of the Notes, and subject to certain provisions of the Code that are described below, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes, and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel to the Commission, interest on the Notes and any gain from the sale

thereof are excludable from gross income of the owners thereof under the New Jersey Gross Income Tax Act.

The Code contains a number of provisions that apply to the Notes, including restrictions relating to the use or investment of the proceeds of the Notes and the payment of certain arbitrage earnings in excess of the “yield” on the Notes to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Notes being includable in gross income for federal income tax purposes retroactive on the date of issuance of the Notes. The Commission and the County have covenanted in the Leases to comply with these requirements. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to the changes in the law after the date of issuance of the Notes that may affect the tax-exempt status of the interest thereon.

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

Section 265(b) of the Code generally denies to banks, thrift institutions and other financial institutions any deduction for that portion of interest expense incurred or continued to purchase or carry tax-exempt obligations.

The Notes **will not** be designated as qualified under Section 265 of the Code by the Commission for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

Fifteen percent (15%) of the interest earned on tax-exempt obligations must be used to reduce deductions or losses incurred by property and casualty insurance companies.

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

Legislation, court decisions and administrative action by tax authorities at the federal or State level may adversely affect the exclusion from gross income of interest on the Notes for federal income tax purposes or the exclusion of interest on and any gain realized on the sale of the Notes under the New Jersey Gross Income Tax Act.

**PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION, OR COURT DECISIONS. POTENTIAL PURCHASERS**

**OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS UNDER THE CODE OF OWNERSHIP OF THE NOTES.**

## **SECONDARY MARKET DISCLOSURE**

Within the past five years the Commission has failed to timely file its Annual Information and operating data (the “Commission Annual Information”) for the 2011 fiscal year with the MSRB (as defined herein) through EMMA (as defined herein) for previously issued obligations of the Commission and such Commission Annual Information did not include certain required information related to the historical operations of the Bridge System. As of the date of this Official Statement, the Commission is in compliance in all material respects with all existing undertakings to provide continuing disclosure in accordance with the provisions of Rule 15c2-12.

### **The County**

In accordance with the provisions of Rule 15c2-12, as amended (“Rule 15c2-12”), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the County, as an Obligated Borrower (as hereinafter defined) and for purposes of the County Guaranty, and the Commission will, prior to the issuance of the Series 2017A Bonds, enter into an agreement (the “County Continuing Disclosure Agreement”) with TD Bank, National Association, as dissemination agent (the “Dissemination Agent”).

The County has agreed pursuant to the provisions of the county Continuing Disclosure Agreement to provide notice of certain financial information and operating data relating to the County (collectively, the “County Annual Information”) by no later than nine months after the end of the fiscal year of the County, commencing with the fiscal year ending December 31, 2017, to the Municipal Security Rulemaking Board’s (the MSRB”) Electronic Market Access System (“EMMA”) and as described in the County Continuing Disclosure Agreement.

The County Annual Information shall include: (i) a copy of the annual financial statements of the County prepared in accordance with generally accepted accounting principles applicable to governmental units and prepared in accordance with the standards of the Governmental Accounting Standards Boards and requirements of the Division of Local Governmental Services in the State Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements, if audited financial statements are not available (audited financial statements will subsequently be submitted when available); and (ii) certain annual financial information and operating data generally consistent with certain information contained in APPENDICES A and B hereto. Copies of the County Annual Information may be obtained, upon request, from the County.

Within the past five years, the County failed to file notice of a County bond rating recalibration in April 2010 by Moody's to “Aa2” from “Aa3” with the MSRB through its EMMA system for previously issued general obligation bonds of the County. Since 2007, there have been a large number of rating actions reported by Moody’s Investors Services and S&P Global Ratings affecting the municipal bond insurance companies. The County has filed a notice of

bond insurance related rating changes affecting certain of its general obligation bonds even though there has been widespread knowledge of these rating actions. In addition, the select financial/operating data and annual audits of the County for the year 2011 had not been uniformly uploaded to all applicable CUSIPs for outstanding County general obligation bond issues and revenue bond issues of the Commission for which the County has secondary market disclosure obligations. As of the date of this Official Statement, the County is in compliance in all material respects with all existing undertakings to provide continuing disclosure in accordance with the provisions of the Rule 15c2-12.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Commission and the County should be considered with reference to Chapter IX of the United States Bankruptcy Code (the “Bankruptcy Code”), 11 *U.S.C.* Section 901 to 996. Under Chapter IX of the Bankruptcy Code, a municipality, a political subdivision or a public agency or instrumentality of the State that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court (the “Bankruptcy Court”) to adjust its debts. Chapter IX of the Bankruptcy Code does not permit such entity to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter IX of the Bankruptcy Code permits a financially distressed public entity to seek protection from its creditors by staying the commencement or continuation of certain actions against such public entity while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the minority of creditors. Should the Commission and/or the County file a petition in the Bankruptcy Court under Chapter IX of the Bankruptcy Code prior to the payment in full of the principal of and interest on the Notes, the Holders of the Notes would be considered creditors and would be bound by the public entity’s plan of adjustment of its debt.

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

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

## **LEGALITY FOR INVESTMENT**

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

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, issuance, sale and delivery by the Commission of the Notes are subject to the approval of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Commission, whose approving legal opinions will be delivered with such Notes, substantially in the forms annexed hereto as APPENDIX G. Certain legal matters will be passed on for the Commission by its General Counsel, Anthony T. Drollas, Jr., Esquire, for the County by its Solicitor, Kendall J. Collins, Esquire, and Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the County, and for the Underwriter by McManimon, Scotland & Baumann, LLC, Roseland New Jersey.

The various legal opinions and/or certifications to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion and/or certification, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion and/or certification guarantee the outcome of any legal dispute that may arise out of the transaction.

## **INDEPENDENT AUDITORS**

The Financial Statements of the County as of December 31, 2016, and for the year then ended, included in Appendix A to this Official Statement, have been compiled by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their compilation report appearing in Appendix A to this Official Statement. The Financial Statements of the County as of December 31 2015, 2014, 2013, 2012 and 2011 and for the years then ended, included in Appendix A to this Official Statement, have been audited by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their auditor's report appearing in Appendix A to this Official Statement.

## **FINANCIAL ADVISOR**

Acacia Financial Group, Inc., Marlton, New Jersey, has served as Financial Advisor to the Commission with respect to this transaction. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this

Official Statement and the APPENDICES hereto. The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **UNDERWRITING**

The 2017A Notes have been purchased by the Underwriter at an aggregate purchase price of \$25,063,873.58 (the “2017A Note Purchase Price”). The 2017A Note Purchase Price reflects the aggregate principal amount of the 2017A Notes of \$24,905,000, plus an original issue premium of \$208,703.90, less an Underwriter’s discount of \$49,830.82. The Underwriter is obligated to purchase all of the 2017A Notes if any 2017A Notes are purchased.

The 2017B Notes have been purchased by the Underwriter at a purchase price of \$52,704,077.87 (the “2017B Note Purchase Price”). The 2017B Note Purchase Price reflects the principal amount of the 2017B Notes of \$52,370,000, plus an original issue premium of \$438,860.60, less an Underwriter’s aggregate discount of \$104,782.73. The Underwriter is obligated to purchase all of the 2017B Notes if any 2017B Notes are purchased.

The Underwriter intends to offer the Notes initially at the respective reoffering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at yields higher than the respective reoffering yields set forth on the inside front cover page, and such reoffering yields may be changed, from time to time, by the Underwriter.

## **RATING**

Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies (“S&P”) has assigned the short-term rating of “SP-1+” to each Series of the Notes. An explanation of the significance of such ratings may be obtained from S&P. Such rating reflects only the views of S&P. There is no assurance that such ratings will continue for any period of time or that the rating will not be revised or withdrawn. Any such revision or withdrawal of the rating may have an effect on the marketability and market price of the Notes.

## **EXCERPTS AND APPENDICES**

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

APPENDIX C to this Official Statement consists of a copy of the 2013 Bond Resolution.

APPENDIX D to this Official Statement consists of a copy of the 2015 Bond Resolution.

APPENDIX E to this Official Statement consists of copies of the 2013 Leases, as amended by the Fifth Amendments.

APPENDIX F to this Official Statement consists of copies of the 2015 Leases, as amended by the Third Amendments.

APPENDIX G to this Official Statement consists of the forms of approving legal opinions of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Commission. Copies of such opinions will be available at the time of delivery of the Notes.

APPENDIX H to this Official Statement consists of a form of Commission Continuing Disclosure Agreement.

APPENDIX I to this Official Statement consists of a form of County Continuing Disclosure Certificate.

### **MISCELLANEOUS**

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

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

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

**BURLINGTON COUNTY BRIDGE  
COMMISSION**

**By: John B. Comegno, II  
John B. Comegno, II  
Chairman**

**Dated: April 12, 2017**

**APPENDIX A**  
**COMPILED AND AUDITED FINANCIAL STATEMENTS OF THE COUNTY**  
**OF BURLINGTON, NEW JERSEY**





## **INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

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

Management is responsible for the accompanying financial statements of the County of Burlington, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2016 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by these regulatory accounting practices. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the County's assets, liabilities, reserves, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

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

/s/ Henry J. Ludwigsen  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
February 23, 2017

**COUNTY OF BURLINGTON**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis  
As of December 31, 2016

**Assets**

Regular Fund:	
Cash	\$ 32,912,182
Receivables with Full Reserves:	
Accounts Receivable--Other	<u>190,436</u>
Total Regular Fund	<u>33,102,618</u>
Federal and State Grant Fund:	
Cash	1,128,619
Accounts Receivable:	
Federal and State Funds	14,898,546
Interfunds Receivable	<u>7,717</u>
Total Federal and State Grant Fund	<u>16,034,882</u>
	<u><u>\$ 49,137,500</u></u>

**Liabilities, Reserves and Fund Balance**

Regular Fund:	
Liabilities	
Appropriation Reserves	\$ 10,861,403
Reserve for Encumbrances	1,900,805
Other Payables	496,211
Interfund Loans Payable	2,250,663
Reserves for:	
Other Reserves	<u>54,698</u>
Total Liabilities	15,563,781
Reserve for Receivables	190,436
Fund Balance	<u>17,348,401</u>
Total Regular Fund	<u>33,102,618</u>
Federal and State Grant Fund:	
Federal and State Funds:	
Unappropriated	32,650
Appropriated	13,620,556
Reserve for Encumbrances	<u>2,381,676</u>
Total Federal and State Grant Fund	<u>16,034,882</u>
	<u><u>\$ 49,137,500</u></u>

**COUNTY OF BURLINGTON**  
**CURRENT FUND**

Statement of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Year Ended December 31, 2016

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<b>Revenue Realized:</b>	
Current Tax Collections	\$ 155,500,000
Miscellaneous Revenue Anticipated	49,387,470
Non Budget Revenue	760,404
Other Credits to Income	2,840,065
Fund Balance Utilized	<u>6,040,000</u>
Total Income	<u>214,527,938</u>
<b>Expenditures:</b>	
Operations	161,898,580
Debt Service	32,185,625
Deferred Charges and Statutory Expenditures	15,156,476
Other Expenditures	<u>7,717</u>
Total Expenditures	<u>209,248,398</u>
Excess in Revenue	5,279,540
Fund Balance, January 1	<u>18,108,860</u>
	23,388,401
Decreased by:	
Utilized as Revenue	<u>6,040,000</u>
Fund Balance, December 31	<u><u>\$ 17,348,401</u></u>

**COUNTY OF BURLINGTON**  
**TRUST FUND**  
Statement of Assets, Liabilities, and Reserves -- Regulatory Basis  
As of December 31, 2016

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**Assets**

Trust Fund:		
Cash	\$	44,530,574
Interfunds Receivable		7,549,558
Other Accounts Receivable		<u>25,513,466</u>
	\$	<u><u>77,593,598</u></u>

**Liabilities and Reserves**

Trust Fund:		
Reserve for Special Funds and Receivables	\$	<u>77,593,598</u>
	\$	<u><u>77,593,598</u></u>

**COUNTY OF BURLINGTON  
GENERAL CAPITAL FUND**

Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis  
As of December 31, 2016

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**Assets**

Cash	\$ 20,890,075
Investments	18,643,609
Due from State of New Jersey	1,705,345
Due from Trustee for Leases	84,180,538
Grants Receivable	27,700,635
Deferred Charges to Future Taxation:	
Funded	203,504,645
Unfunded	142,501,078
Amounts to be Provided for Retirement of Obligations Under Capital Leases	190,197,900
	<u>\$ 689,323,824</u>

**Liabilities, Reserves and Fund Balance**

Serial Bonds	\$ 198,023,001
Obligation Under Capital Leases	190,197,900
Bond Anticipation Notes	64,074,000
Loans Payable	4,771,030
State of New Jersey--Green Acres Loans	710,614
Improvement Authorizations:	
Funded	10,678,084
Unfunded	53,466,106
Lease Authorization	93,801,055
Capital Improvement Fund	172,848
Due to State of New Jersey	209,293
Interfunds Payable	5,318,337
Reserve for Payment of Capital Leases	2,960,878
Reserve for Payment of Bonds and Notes	1,843,165
Installment Purchase Agreement Notes	44,201,000
Reserve to Pay I.P.A. Note Principal	18,545,474
Fund Balance	351,039
	<u>\$ 689,323,824</u>

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis  
As of December 31, 2016

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**Assets**

Operating Fund:	
Cash	\$ 27,231,018
Interfunds Receivable	<u>3,974,088</u>
	31,205,106
Receivables with Full Reserves:	
Consumer Accounts Receivable	<u>2,465,036</u>
	33,670,142
Total Operating Fund	
	<u>33,670,142</u>
Capital Fund:	
Cash	12,473,652
Fixed Capital	199,227,272
Fixed Capital Authorized and Uncompleted	62,465,000
Amount to be Provided for Retirement of Obligations Under Capital Leases	29,789,000
Due from TD Bank, N.A. Trustee for BCBC	<u>850,103</u>
	304,805,027
Total Capital Fund	<u>304,805,027</u>
	<u>\$ 338,475,169</u>

(Continued)

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis  
As of December 31, 2016

**Liabilities, Reserves and Fund Balance**

Operating Fund:	
Appropriation Reserves	\$ 1,264,412
Reserve for Encumbrances	3,700,614
Accrued Interest on Bonds	658,071
Reserves for:	
Host Benefit Fees & Recycling Tax Payable	511,843
Hazardous Waste Facility	64,972
Equipment Replacement	706,548
Landfill Closure Trust Fund	16,880,566
Recycling Tax Payable	138,751
Estimated Arbitrage Earnings on Tax- Exempt Obligations	100,000
Escrow Deposits	206,880
Self Insurance	<u>500,000</u>
	24,732,657
Reserve for Receivables	2,465,036
Fund Balance	<u>6,472,449</u>
Total Operating Fund	<u>33,670,142</u>
Serial Bonds	39,090,000
Bond Anticipation Notes	29,026,000
Obligations Under Solid Waste Leases	29,789,000
Interfund Loans Payable	3,974,088
Improvement Authorizations	2,141,974
Lease Authorizations	978,079
Contracts Payable	859,396
Capital Improvement Fund	47,000
Reserves for:	
Amortization	173,903,321
Deferred Amortization	13,479,218
Reserve to pay Bonds and Leases	11,145,418
Fund Balance	<u>371,534</u>
Total Capital Fund	<u>304,805,027</u>
	<u><u>\$ 338,475,169</u></u>

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Operations and Changes in Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2016

<b>Revenue Realized:</b>	
Fund Balance Realized	\$ 3,549,660
Solid Waste Utility Fees	23,842,279
Sludge Disposal & Household Hazardous Waste Fees	2,327,550
Miscellaneous Revenue Anticipated	4,427,413
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>1,367,095</u>
 Total Income	 <u>35,513,998</u>
<b>Expenditures:</b>	
Operating	17,402,061
Debt Service	11,339,892
Deferred Charges and Statutory Expenditures	<u>575,319</u>
 Total Expenditures	 <u>29,317,272</u>
 Excess in Revenue	 6,196,726
 Fund Balance, Jan. 1	 <u>3,825,383</u>
	10,022,109
 Utilized as Revenue	 <u>3,549,660</u>
 Fund Balance, Dec. 31	 <u><u>\$ 6,472,449</u></u>



**COUNTY OF BURLINGTON**  
**Selected Information – Substantially All Disclosures Required**  
**By the Regulatory Basis of Accounting Have Been Omitted**  
**For the Year Ended December 31, 2016**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

In Burlington County there are forty political subdivisions, consisting of three cities, thirty-one townships and six boroughs. The population of the County of Burlington according to the 2015 census estimate is 450,226.

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

**Component Units** - The financial statements of the component units of the County of Burlington are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61. If the provisions of GASB No. 14, as amended by GASBS Nos. 39 and 61 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

Burlington County Library Commission 5 Pioneer Boulevard Westampton, New Jersey 08060	Rowan College at Burlington County Pemberton-Browns Mill Road Pemberton, New Jersey 08068
Burlington County Bridge Commission 1300 State Highway Route 73 North Palmyra, New Jersey 08065	Burlington County Institute of Technology 695 Woodlane Road Westampton, New Jersey 08060
Burlington County Board of Social Services 795 Woodlane Road Westampton, New Jersey 08060	Burlington County Special Services School District 5 Pioneer Boulevard Westampton, New Jersey 08060
Burlington County Insurance Commission 49 Rancocas Road Mount Holly, New Jersey 08060	

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

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

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

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

**Current Fund** - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

**General Capital Fund** - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**Solid Waste Utility Operating and Capital Funds** - The Solid Waste Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the County owned Resource Recovery Complex.

**Bond and Interest Fund** - The Bond and Interest Fund accounts for the debt service on bearer bond debt issues.

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

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

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

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

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

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

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

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

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

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

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

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

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

**County Taxes** - Every municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations for every municipality are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations for every municipality are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**Library Taxes** - The County is responsible for levying, collecting, and remitting library taxes for County of Burlington Library Commission. The collection and remission of these funds is presented on a Current Fund Supplemental Exhibit.

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

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

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

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

**Long-Term Debt** - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Solid Waste Utility Capital Funds.

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

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**FOR THE YEARS ENDED 2015, 2014, 2013, 2012 AND 2011**

**AUDITED FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Report on the Financial Statements***

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Burlington, State of New Jersey, as of December 31, 2015, 2014, 2013, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## **Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County of Burlington, State of New Jersey, as of December 31, 2015, 2014, 2013, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

For the years ended December 31, 2013, 2012 and 2011, the scope of our audit did not include the County of Burlington’s Prisoners Welfare Fund of the Jail or the Surrogate’s Custodial Accounts for Minors. Our audit did not include verification of claims or auditing procedures required to determine that expenditures complied with legal provisions of any agreements for the Health Benefit Self-Insurance Fund, the Worker’s Compensation Self-Insurance Fund and the General Liability Self-Insurance Fund. Procedures were limited to the reconciliation of cash. Also, the adequacy of these funds was not determined.

### ***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effect of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Burlington, State of New Jersey, as of December 31, 2013, 2012 and 2011, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

### ***Opinion on Regulatory Basis of Accounting***

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



**Emphasis of Matter**

*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Respectfully submitted,

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

/s/ Henry J. Ludwigsen  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
June 30, 2016

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

<u>Assets</u>	<u>As of December 31,</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Regular Fund:					
Cash	\$ 32,312,908	\$ 37,931,991	\$ 43,735,961	\$ 29,424,517	\$ 19,201,717
Receivables with Full Reserves:					
Revenue Accounts Receivable	38,059	39,094	4,999	32,074	297,063
Accounts Receivable--Other	410,463	386,902	1,064,707	894,607	450,000
Interfunds Receivable		3,236	516,146		605,646
Total Regular Fund	<u>32,761,430</u>	<u>38,361,223</u>	<u>45,321,813</u>	<u>30,351,198</u>	<u>20,554,426</u>
Federal and State Grant Fund:					
Cash	497,350	1,339,969	5,690,771	5,509,126	3,976,573
Accounts Receivable:					
Federal and State Funds	14,986,362	16,120,772	18,671,968	15,990,973	16,564,120
Interfunds Receivable	536,787	203,117	147,350	402,310	
Total Federal and State Grant Fund	<u>16,020,498</u>	<u>17,663,858</u>	<u>24,510,089</u>	<u>21,902,409</u>	<u>20,540,693</u>
	<u>\$ 48,781,928</u>	<u>\$ 56,025,081</u>	<u>\$ 69,831,902</u>	<u>\$ 52,253,607</u>	<u>\$ 41,095,119</u>

(Continued)

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

	<b>As of December 31,</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>					
Regular Fund:					
Liabilities					
Appropriation Reserves	\$ 10,352,998	\$ 8,056,405	\$ 10,021,501	\$ 6,533,537	\$ 3,587,573
Reserve for Encumbrances	1,788,381	4,351,324	2,121,578	3,231,646	7,920,273
Other Payables	462,079	463,776	41,664	923,065	42,371
Interfund Loans Payable	1,548,512	11,089,747	17,581,437	8,612,306	212,704
Reserves for:					
Estimated Arbitrage Earnings on Tax-Exempt Obligations					103,789
Other Reserves	52,078	52,078	52,960	69,056	62,845
<b>Total Liabilities</b>	<b>14,204,048</b>	<b>24,013,331</b>	<b>29,819,140</b>	<b>19,369,610</b>	<b>11,929,555</b>
Reserve for Receivables	448,522	429,231	1,585,852	926,681	1,352,709
Fund Balance	18,108,860	13,918,661	13,916,821	10,054,907	7,272,162
<b>Total Regular Fund</b>	<b>32,761,430</b>	<b>38,361,223</b>	<b>45,321,813</b>	<b>30,351,198</b>	<b>20,554,426</b>
Federal and State Grant Fund:					
Federal and State Funds:					
Unappropriated	48,714	421,879	112,801	145,061	35,077
Appropriated	14,020,802	11,744,066	19,567,682	16,979,566	11,903,080
Interfund Loans Payable		3,236	925,131	506,145	585,637
Reserve for Encumbrances	1,950,983	5,494,677	3,904,475	4,271,637	8,016,899
<b>Total Federal and State Grant Fund</b>	<b>16,020,498</b>	<b>17,663,858</b>	<b>24,510,089</b>	<b>21,902,409</b>	<b>20,540,693</b>
	<b>\$ 48,781,928</b>	<b>\$ 56,025,081</b>	<b>\$ 69,831,902</b>	<b>\$ 52,253,607</b>	<b>\$ 41,095,119</b>

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

**COUNTY OF BURLINGTON**  
**CURRENT FUND**  
Statement of Operations and Changes in Fund Balance -- Regulatory Basis

	<b>For the Years Ended December 31,</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Revenue Realized:</b>					
Current Tax Collections	\$ 155,523,014	\$ 152,523,014	\$ 153,082,778	\$ 148,049,819	\$ 154,250,000
Miscellaneous Revenue Anticipated	45,601,109	42,368,635	52,817,220	67,285,642	67,606,740
Non Budget Revenue	1,348,256	1,410,843	1,170,462	732,956	1,354,427
Other Credits to Income	3,957,714	2,417,313	1,200,464	1,905,265	4,227,418
Fund Balance Utilized	2,390,000	2,392,782			8,000,000
<b>Total Income</b>	<b>208,820,093</b>	<b>201,112,586</b>	<b>208,270,924</b>	<b>217,973,681</b>	<b>235,438,585</b>
<b>Expenditures and Encumbrances:</b>					
Operations	155,126,793	152,412,469	158,221,893	167,521,963	184,173,234
Capital Improvements				312,000	900,000
Debt Service	31,911,469	30,598,988	28,539,937	28,870,700	28,625,906
Deferred Charges and Statutory Expenditures	15,177,539	15,489,706	16,066,327	17,215,390	18,816,193
Other Expenditures	530				28,470
Creation of Reserves	23,562	216,802	1,580,853	1,270,884	1,039,765
<b>Total Expenditures and Encumbrances</b>	<b>202,239,894</b>	<b>198,717,964</b>	<b>204,409,010</b>	<b>215,190,936</b>	<b>233,583,568</b>
Excess in Revenue	6,580,199	2,394,622	3,861,914	2,782,745	1,855,017
Fund Balance, January 1	13,918,661	13,916,821	10,054,907	7,272,162	13,417,145
	20,498,860	16,311,443	13,916,821	10,054,907	15,272,162
Decreased by:					
Utilized as Revenue	2,390,000	2,392,782			8,000,000
<b>Fund Balance, December 31</b>	<b>\$ 18,108,860</b>	<b>\$ 13,918,661</b>	<b>\$ 13,916,821</b>	<b>\$ 10,054,907</b>	<b>\$ 7,272,162</b>

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

**COUNTY OF BURLINGTON**  
**TRUST FUND**  
Statement of Assets, Liabilities, and Reserves -- Regulatory Basis

	<b>As of December 31,</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b><u>Assets</u></b>					
Trust Fund:					
Cash	\$ 42,873,850	\$ 31,631,359	\$ 19,716,349	\$ 61,126,664	\$ 69,507,089
Interfunds Receivable	10,410,591	20,191,995	48,219,871	14,404,319	2,960,504
Other Accounts Receivable	25,232,700	25,010,019	24,627,605	24,546,439	24,443,575
	\$ 78,517,141	\$ 76,833,373	\$ 92,563,825	\$ 100,077,422	\$ 96,911,168
<b><u>Liabilities and Reserves</u></b>					
Trust Fund:					
Other Accounts Payable			\$ 258,708	\$ 258,708	\$ 255
Interfund Loans Payable				131,179	
Reserve for Special Funds and Receivables	\$ 78,517,141	\$ 76,833,373	92,305,117	99,687,536	96,910,913
	\$ 78,517,141	\$ 76,833,373	\$ 92,563,825	\$ 100,077,422	\$ 96,911,168

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

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

	<b>As of December 31,</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b><u>Assets</u></b>					
Cash and Investments	\$ 18,893,609	\$ 18,581,542	\$ 18,507,999	\$ 18,814,678	\$ 22,621,008
Due from Bank		85	85	85	85
Due from State of New Jersey				3,016,189	4,338,894
Due from Trustee for Leases	109,256,436	131,191,289	106,000,000		
Interfunds Receivable			1,210,818	1,609,998	85,225
Grants Receivable	37,717,590	20,511,377	893,119	3,200,000	3,200,000
Deferred Charges to Future Taxation:					
Funded	217,664,263	208,889,907	218,430,824	158,705,187	175,386,005
Unfunded	94,296,138	125,924,985	126,807,706	208,186,359	218,291,638
Amounts to be Provided for Retirement of Obligations Under Capital Leases	196,307,900	179,851,900	143,330,000	40,616,000	43,794,000
	<b><u>\$ 674,135,936</u></b>	<b><u>\$ 684,951,086</u></b>	<b><u>\$ 615,180,551</u></b>	<b><u>\$ 434,148,496</u></b>	<b><u>\$ 467,716,855</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>					
Serial Bonds	\$ 213,199,005	\$ 203,774,006	\$ 215,570,006	\$ 155,342,006	\$ 175,386,005
Obligation Under Capital Leases	196,307,900	179,851,900	143,330,000	40,616,000	43,794,000
Bond Anticipation Notes	29,225,584	56,140,348	30,815,426	107,933,166	84,242,250
Loans Payable	3,524,954	3,950,432	1,474,621	1,760,605	2,038,345
State of New Jersey--Green Acres Loans	940,304	1,165,469	1,386,197	1,602,575	1,814,690
Improvement Authorizations:					
Funded	8,108,998	22,005,137	2,547,143	1,987,419	5,963,859
Unfunded	15,639,241	17,104,571	18,835,404	28,481,286	57,377,442
Lease Authorization	107,254,566	92,920,308	82,788,864		
Capital Improvement Fund	500,348	500,348	500,348	500,348	188,348
Contracts Payable	20,032,520	23,967,677	12,688,953	20,137,209	28,079,493
Due to State of New Jersey	209,293	209,378	209,378	209,378	209,378
Interfunds Payable	9,410,591	10,162,998	32,264,075	7,898,777	2,685,955
Reserve for Payment of Capital Leases	2,804,494	6,093,708	5,393,499		
Reserve for Payment of Bonds and Notes	2,922,953	2,976,789	2,479,009	1,498,525	302,002
Installment Purchase Agreement Notes	45,137,000	45,383,000	46,384,997	47,097,141	46,967,712
Reserve to Pay I.P.A. Note Principal	18,545,474	18,389,194	18,389,194	18,389,194	17,683,493
Fund Balance	372,711	355,823	123,437	694,865	983,883
	<b><u>\$ 674,135,936</u></b>	<b><u>\$ 684,951,086</u></b>	<b><u>\$ 615,180,551</u></b>	<b><u>\$ 434,148,496</u></b>	<b><u>\$ 467,716,855</u></b>

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

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

<u>Assets</u>	<u>As of December 31,</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating Fund:					
Cash and Investments	\$ 23,442,088	\$ 20,932,209	\$ 23,245,115	\$ 22,217,644	\$ 26,307,122
Interfunds Receivable	3,974,088	7,086,200	5,743,590	3,771,521	161,433
	27,416,176	28,018,409	28,988,705	25,989,165	26,468,555
Receivables with Full Reserves:					
Consumer Accounts Receivable	2,465,036	2,477,667	2,433,078	3,035,999	2,167,767
Total Operating Fund	29,881,212	30,496,077	31,421,783	29,025,164	28,636,322
Capital Fund:					
Cash and Investments	5,628,803	4,511,328	520,328	640,329	238,682
Fixed Capital	199,227,272	30,769,210	30,769,210	30,769,210	30,769,210
Fixed Capital Authorized and Uncompleted	62,465,000	224,043,000	221,543,000	217,243,000	209,793,000
Amount to be Provided for Retirement of Obligations					
Under Capital Leases	32,395,000	34,390,000	36,385,000	39,671,000	40,107,000
Interfunds Receivable				520,000	
Due from TD Bank, N.A. Trustee for BCBC	850,103	850,103	2,372,282	3,754,577	6,860,798
Total Capital Fund	300,566,178	294,563,641	291,589,820	292,598,116	287,768,690
	<u>\$ 330,447,390</u>	<u>\$ 325,059,718</u>	<u>\$ 323,011,603</u>	<u>\$ 321,623,280</u>	<u>\$ 316,405,012</u>

(Continued)

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

	<b>As of December 31,</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>					
Operating Fund:					
Appropriation Reserves	\$ 1,004,615	\$ 857,176	\$ 1,005,985	\$ 1,011,763	\$ 1,454,707
Reserve for Encumbrances	3,343,835	3,372,062	3,140,282	2,050,220	1,614,593
Accrued Interest on Bonds	516,099	468,335	424,550	433,853	473,219
Prepaid Deposits	170,028	155,426	146,925	143,764	77,666
Interfunds Payable			241,383	241,383	147,070
Reserves for:					
State of New Jersey Sanitary Landfill Taxes Payable	13,606	13,395	12,728	12,296	8,870
County Health Inspection Taxes Payable	8,980	8,840	8,401	17,437	5,854
Host Benefit Fees & Recycling Tax Payable	576,599	590,070	819,658	718,044	626,781
Hazardous Waste Facility	64,972	64,972	64,972	64,972	64,972
Equipment Replacement	721,827	736,395	813,414	822,892	872,552
Landfill Closure Trust Fund	16,353,604	15,832,017	15,446,359	15,020,425	14,234,376
Recycling Tax Payable	216,630	213,234			
Estimated Arbitrage Earnings on Tax- Exempt Obligations	100,000	100,000	100,000	100,000	100,000
State Grants		19,819	77,257	362,031	766,479
Self Insurance	500,000	500,000	500,000	500,000	500,000
	23,590,793	22,931,741	22,801,914	21,499,080	20,947,139
Reserve for Receivables	2,465,036	2,477,667	2,433,078	3,035,999	2,167,767
Fund Balance	3,825,383	5,086,668	6,186,791	4,490,085	5,521,416
<b>Total Operating Fund</b>	<b>29,881,212</b>	<b>30,496,077</b>	<b>31,421,783</b>	<b>29,025,164</b>	<b>28,636,322</b>
Serial Bonds	42,535,000	45,881,000	49,163,000	54,415,000	57,414,000
Bond Anticipation Notes	24,443,400	18,693,400			
Loans Payable	2,021,092	3,970,355	5,855,350	8,081,712	10,440,161
Obligations Under Solid Waste Leases	32,395,000	34,390,000	36,385,000	39,671,000	40,107,000
Interfund Loans Payable	3,974,088	6,561,088	5,158,852	3,330,082	180,411
Improvement Authorizations	8,995,048	3,400,821	18,621,378	17,175,683	10,143,823
Statement of Lease Authorizations	1,050,191	976,211	1,573,240	3,121,158	4,384,672
Contracts Payable	2,198,046	3,063,841	2,428,745	1,769,384	5,255,647
Capital Improvement Fund	47,000	47,000	47,000	47,000	47,000
Reserves for:					
Amortization	169,398,321	30,769,210	30,769,210	30,769,210	30,769,210
Deferred Amortization	12,268,126	145,601,974	140,434,979	132,956,617	127,599,168
Reserve to pay Bonds and Notes	875,203	1,093,403	1,153,066	1,261,270	1,427,583
Fund Balance	365,663	115,338			15
<b>Total Capital Fund</b>	<b>300,566,178</b>	<b>294,563,641</b>	<b>291,589,820</b>	<b>292,598,116</b>	<b>287,768,690</b>
	<b>\$ 330,447,390</b>	<b>\$ 325,059,718</b>	<b>\$ 323,011,603</b>	<b>\$ 321,623,280</b>	<b>\$ 316,405,012</b>

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



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

	<b>For the Years Ended December 31,</b>				
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Revenue Realized:</b>					
Fund Balance Realized	\$ 5,086,000	\$ 4,114,139	\$ 4,490,000	\$ 5,521,156	\$ 2,795,898
Solid Waste Utility Fees	22,378,118	22,200,623	22,292,932	18,151,107	15,775,329
Sludge Disposal & Household Hazardous Waste Fees	2,623,389	2,465,186	2,669,992	2,460,783	2,541,470
Miscellaneous Revenue Anticipated	2,530,026	2,290,618	2,081,166	2,257,286	176,137
State Grants Anticipated					606,129
State of New Jersey Subsidy					2,500,000
Reserve for Debt Service					615,000
Reserve for Self Insurance					3,434,820
Solid Waste Capital Fund Balance				15	113,369
BPU Energy Credits					12,484
Sale of Electric					1,795,196
Other Income					411,774
Other Credits to Income:					
Unexpended Balance of Appropriation Reserves	1,190,883	1,301,123	1,486,303	1,399,714	1,030,800
<b>Total Income</b>	<b>33,808,415</b>	<b>32,371,689</b>	<b>33,020,393</b>	<b>29,790,061</b>	<b>31,808,406</b>
<b>Expenditures and Encumbrances:</b>					
Operating	18,479,494	17,927,239	17,840,890	15,900,243	15,177,561
Debt Service	11,173,522	11,106,234	8,687,797	9,104,993	10,835,108
Deferred Charges and Statutory Expenditures	330,684	324,200	305,000	295,000	282,200
Other					7,513
<b>Total Expenditures</b>	<b>29,983,700</b>	<b>29,357,673</b>	<b>26,833,687</b>	<b>25,300,236</b>	<b>26,302,382</b>
Excess in Revenue	3,824,715	3,014,016	6,186,706	4,489,825	5,506,024
Fund Balance, Jan. 1	5,086,668	6,186,791	4,490,085	5,521,416	2,811,290
	8,911,383	9,200,807	10,676,791	10,011,241	8,317,314
Utilized as Revenue	5,086,000	4,114,139	4,490,000	5,521,156	2,795,898
Fund Balance, Dec. 31	<b>\$ 3,825,383</b>	<b>\$ 5,086,668</b>	<b>\$ 6,186,791</b>	<b>\$ 4,490,085</b>	<b>\$ 5,521,416</b>

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

**COUNTY OF BURLINGTON**  
Notes to Financial Statements  
For the Year Ended December 31, 2015

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The County has forty political subdivisions, consisting of three cities, thirty-one townships and six boroughs. The population of the County of according to the 2015 census estimate is 450,226.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2015, the County adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the County was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the County.

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2015, the County had bank balances of \$115,877,213.96 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 114,828,776.43
Uninsured and Uncollateralized	<u>1,048,437.53</u>
Total	<u>\$ 115,877,213.96</u>

**Note 3: INVESTMENTS**

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

**Custodial Credit Risk Related to Investments** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County has no investment policy to limit its exposure to custodial credit risk. As of December 31, 2015, the County's investments were exposed to custodial credit risk as follows:

Uninsured and unregistered, with securities held by the the counterparty's trust department or agent in the County's name	\$ -
Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name	<u>34,970,000.92</u>
Total	<u>\$ 34,970,000.92</u>

As of December 31, 2015, the County had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>	<u>Fair Value</u>
Money Market Funds	daily daily	\$ 47,448.09	\$ 47,448.09
US Treasury Strips	72.98 months average	18,643,608.69	34,446,159.76
US Treasury Notes	46.29 months average	14,460,710.66	14,402,351.65
US Treasury Inflation Indexed Bonds	57.81 months average	1,358,095.88	1,327,241.18
FDG Corp Fed Book	46.13 months average	460,137.60	484,135.60
Total		<u>\$ 34,970,000.92</u>	<u>\$ 50,707,336.28</u>

The weighted average maturity of the County's investment portfolio was 60.90 months as of December 31, 2015.

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

**Note 3: INVESTMENTS (CONT'D)**

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County has no investment policy that would further limit its exposure to credit risk. As of December 31, 2015, the County's investments had the following ratings:

<u>Investment</u>	<u>Standard &amp; Poor's</u>	<u>Moody's</u>
US Treasury Strips	AAA	Aaa
US Treasury Notes	AAA	Aaa
US Treasury Inflation Indexed Bonds	AAA	Aaa
FDG Corp Fed Book	AAA	Aaa

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County's investment policies place no limit on the amount the County may invest in any one issuer. More than 5.0% of the County's investments are in US Treasury Strips and US Treasury Notes. These investments represent 94.66% of the County's total investments. These investments are reported in the general capital (\$18,643,608.69) and utility operating (\$16,326,392.23) funds.

**Note 4: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
County Tax Rate	<u>\$ 0.340</u>	<u>\$ 0.330</u>	<u>\$ 0.330</u>	<u>\$ 0.310</u>	<u>\$ 0.310</u>
County Library Tax Rate	<u>\$ 0.031</u>	<u>\$ 0.030</u>	<u>\$ 0.030</u>	<u>\$ 0.030</u>	<u>\$ 0.030</u>
County Open Space, Recreation, Farmland and Historic Preservation Tax Rate	<u>\$ 0.040</u>	<u>\$ 0.015</u>	<u>\$ 0.015</u>	<u>\$ 0.040</u>	<u>\$ 0.040</u>

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2015	\$ 45,775,613,439
2014	45,777,005,659
2013	46,329,111,779
2012	48,206,959,031
2011	50,005,099,970



**Note 4: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 155,523,014	\$ 155,523,014	100.00%
2014	152,523,014	152,523,014	100.00%
2013	153,082,778	153,082,778	100.00%
2012	148,049,819	148,049,819	100.00%
2011	154,250,000	154,250,000	100.00%

**Note 5: SOLID WASTE UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2015	\$ 2,477,667	\$ 24,988,875	\$ 27,466,542	\$ 25,001,507
2014	2,433,078	24,710,399	27,143,477	24,665,809
2013	3,035,999	24,360,003	27,396,002	24,962,924
2012	2,167,767	21,598,258	23,766,025	20,730,026
2011	2,305,767	18,301,820	20,607,587	18,439,819

**Note 6: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 18,108,860	\$ 6,040,000 (A)	33.35%
2014	13,918,660	2,390,000	17.17%
2013	13,916,821	2,392,782	17.19%
2012	10,054,907	None	None
2011	7,272,162	None	None

(A) = per 2016 Introduced Budget

**Solid Waste Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 3,825,383	\$ 3,549,660 (A)	92.79%
2014	5,086,668	5,086,000	99.99%
2013	6,186,791	4,114,139	66.50%
2012	4,490,085	4,490,000	100.00%
2011	5,521,416	5,521,156	100.00%

(A) = per 2016 Introduced Budget

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current		\$ 1,548,512
Federal and State Grant	\$ 536,787	
Trust - Other	10,410,591	
General Capital		9,410,591
Solid Waste Utility - Operating	3,974,088	
Solid Waste Utility - Capital		3,974,088
Bond and Interest	11,725	
	<u>\$ 14,933,191</u>	<u>\$ 14,933,191</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the County expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 8: PENSION PLANS**

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

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

**General Information about the Pension Plans****Plan Descriptions**

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

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The County's contractually required contribution rate for the year ended December 31, 2015 was 12.29% of the County's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** – Based on the most recent PERS measurement date of June 30, 2015, the County's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$5,321,393.00, and was paid on April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the County's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$5,190,300.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$3,147,785.60.

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

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

The County's contractually required contribution rate for the year ended December 31, 2015 was 26.81% of the County's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the County's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$4,621,418.00, and was paid on April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the County's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$4,367,507.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$1,737,625.25.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, for the year ended December 31, 2015 was 2.51% of the County's covered-employee payroll.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2015 was \$432,309.00, and was paid on April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2014 was \$319,829.00, which was paid on April 1, 2015.

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

For the year ended December 31, 2015, employee contributions totaled \$25,594.23, and the County's contributions were \$20,091.03. There were no forfeitures during the year.

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

**Public Employees' Retirement System** - At December 31, 2015, the County's proportionate share of the PERS net pension liability was \$138,944,037.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the County's proportion was .6189596460%, which was a decrease of .0106401074% from its proportion measured as of June 30, 2014.

At December 31, 2015, the County's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date was \$5,397,708.00. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the County's contributions to PERS was \$5,321,393.00, and was paid on April 1, 2015.

**Police and Firemen's Retirement System** - At December 31, 2015, the County's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

County's Proportionate Share of Net Pension Liability	\$ 94,699,679.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>8,304,844.00</u>
	<u>\$ 103,004,523.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the County's proportion was .5685444057%, which was a decrease of .0000902637% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the County, was .5685444057%, which was a decrease of .0000902637% from its proportion, on-behalf of the County, measured as of June 30, 2014.

At December 31, 2015, the County's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$7,958,574.00. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the County's contributions to PFRS was \$4,621,418.00, and was paid on April 1, 2016.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the County, calculated by the plan as of the June 30, 2015 measurement date is \$1,035,909.00. This on-behalf expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2015, the County had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 3,314,716.00	\$ -	\$ 3,314,716.00	\$ -	\$ 816,814.00	\$ 816,814.00
Changes of Assumptions	14,921,480.00	17,483,913.00	32,405,393.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	2,233,953.00	1,648,164.00	3,882,117.00
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	-	303,213.00	303,213.00	16,866,043.00	1,367,815.00	18,233,858.00
County Contributions Subsequent to the Measurement Date	2,660,697.00	2,310,709.00	4,971,406.00	-	-	-
	<u>\$20,896,893.00</u>	<u>\$20,097,835.00</u>	<u>\$40,994,728.00</u>	<u>\$19,099,996.00</u>	<u>\$3,832,793.00</u>	<u>\$22,932,789.00</u>

\$2,660,697.00 and \$2,310,709.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the County's year end of December 31, 2015.



**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2016	\$ (861,154.00)	\$ 2,597,269.00	\$ 1,736,115.00
2017	(861,154.00)	2,597,269.00	1,736,115.00
2018	(861,156.00)	2,597,270.00	1,736,114.00
2019	895,071.00	4,422,088.00	5,317,159.00
2020	824,593.00	1,740,437.00	2,565,030.00
	<u>\$ (863,800.00)</u>	<u>\$ 13,954,333.00</u>	<u>\$ 13,090,533.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For PFRS, mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

**Public Employees' Retirement System (PERS)** - The following presents the County's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
County's Proportionate Share of the Net Pension Liability	<u>\$172,690,438.00</u>	<u>\$138,944,037.00</u>	<u>\$110,651,299.00</u>

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the County's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the County and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (4.79%)</b>	<b>Current Discount Rate (5.79%)</b>	<b>1% Increase (6.79%)</b>
County's Proportionate Share of the Net Pension Liability	\$124,844,242.00	\$ 94,699,679.00	\$ 70,119,481.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	<u>10,948,421.00</u>	<u>8,304,844.00</u>	<u>6,149,243.00</u>
	<u>\$135,792,663.00</u>	<u>\$103,004,523.00</u>	<u>\$ 76,268,724.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**Supplementary Pension Information**

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

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

	<b><u>Measurement Date Ended June 30,</u></b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
County's Proportion of the Net Pension Liability	0.6189596460%	0.6295997534%	0.7566111594%
County's Proportionate Share of the Net Pension Liability	\$ 138,944,037.00	\$ 117,878,293.00	\$ 144,603,426.00
County's Covered-Employee Payroll	\$ 42,428,812.00	\$ 43,421,180.00	\$ 52,119,380.00
County's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	327.48%	271.48%	277.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<b><u>Year Ended December 31,</u></b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
County's Contractually Required Contribution	\$ 5,321,393.00	\$ 5,190,330.00	\$ 5,700,911.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(5,321,393.00)</u>	<u>(5,190,330.00)</u>	<u>(5,700,911.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll	\$ 43,281,555.00	\$ 42,311,700.00	\$ 43,120,866.00
County's Contributions as a Percentage of it's Covered-Employee Payroll	12.29%	12.27%	13.22%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the County's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<b><u>Measurement Date Ended June 30,</u></b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
County's Proportion of the Net Pension Liability	0.5685444057%	0.5686346694%	0.5803733767%
County's Proportionate Share of the Net Pension Liability	\$ 94,699,679.00	\$ 71,528,967.00	\$ 77,155,403.00
State's Proportionate Share of the Net Pension Liability associated with the County	<u>8,304,844.00</u>	<u>7,702,467.00</u>	<u>7,191,821.00</u>
Total	<u>\$ 103,004,523.00</u>	<u>\$ 79,231,434.00</u>	<u>\$ 84,347,224.00</u>
County's Covered-Employee Payroll	\$ 17,912,496.00	\$ 17,983,768.00	\$ 18,121,556.00
County's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	528.68%	397.74%	425.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<b><u>Year Ended December 31,</u></b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
County's Contractually Required Contribution	\$ 4,621,418.00	\$ 4,367,507.00	\$ 4,234,275.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(4,621,418.00)</u>	<u>(4,367,507.00)</u>	<u>(4,234,275.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll	\$ 17,235,855.00	\$ 18,097,159.00	\$ 18,048,239.00
County's Contributions as a Percentage of it's Covered-Employee Payroll	26.81%	24.13%	23.46%

**Note 8: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

401(a)(17) Pay Limit – 3.00 per annum  
Social Security Wage Base – 4.00 per annum

***Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July1, 2010 – June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2015 Board Meeting.

**Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

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

**Retirees** - The County presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and as shown above, receives monthly contributions from retirees to offset a portion of the cost. The County's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$1,926,857.76, \$1,852,844.00, and \$1,852,844.00, respectively.

**Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Funding Policy (Cont'd) -**

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

**Annual OPEB Cost** - For year ended December 31, 2015, the County's annual OPEB cost (expense) of \$11,886,864.22 for the plan was equal to the ARC plus certain adjustments because the County's actual contributions in prior years differed from the ARC. The County's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015, 2014, and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 13,111,499.00	\$ 7,732,198.00	\$ 7,732,198.00
Interest on the Net OPEB Obligation	3,362,011.77	3,483,238.71	3,227,856.00
Adjustment to the ARC	<u>(4,586,646.55)</u>	<u>(4,315,994.18)</u>	<u>(3,999,555.84)</u>
Annual OPEB Cost	11,886,864.22	6,899,442.53	6,960,498.16
Pay-as-You Go Cost (Existing Retirees)	<u>(1,926,857.76)</u>	<u>(1,852,844.00)</u>	<u>(1,852,844.00)</u>
Increase (Decrease) in the Net OPEB Obligation	9,960,006.46	5,046,598.53	5,107,654.16
Net OPEB Obligation, January 1	<u>74,711,372.64</u>	<u>69,664,774.11</u>	<u>64,557,119.95</u>
Net OPEB Obligation, December 31	<u>\$ 84,671,379.10</u>	<u>\$ 74,711,372.64</u>	<u>\$ 69,664,774.11</u>
Percentage of Annual OPEB Cost Contributed	16%	27%	27%

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

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



**Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Funded Status and Funding Progress (Cont'd) -**

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

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

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

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

**Note 10: COMPENSATED ABSENCES**

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

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

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2015, it is calculated that accrued unused sick and vacation time payable are valued at \$6,118,070.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2015, the balance of the fund was \$21,981.90.

**Note 11: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 12: SANITARY LANDFILL ESCROW CLOSURE FUND**

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

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

During 2015, a total of 315,499 tons of solid waste was deposited in Landfill No. 2. Based on a conventional landfill development schedule and a waste loading rate of 330,000 tons per year at a compaction rate of 1,500 pounds of solid waste per cubic yard of airspace, Landfill No. 2 will reach final design capacity in 2018.

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

**Note 13: LEASE OBLIGATIONS**

**Capital Leases Payable** - The County is leasing certain equipment and improvements under capital leases. All capital leases are for terms of ten to twenty years and interest rates ranging from 3.00% to 5.25%. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2015.

<b><u>General Capital Fund</u></b>	<b><u>Amount</u></b>
Year Ending December 31,	
2016	\$ 4,962,350
2017	4,959,400
2018	4,964,800
2019	4,966,750
2020	4,965,200
2021-2025	<u>10,925,000</u>
Total minimum lease payments	35,743,500
Less amount representing interest	<u>5,372,500</u>
Present value of net minimum lease payments	30,371,000
Notes Issued	94,775,000
Authorized but not Issued	<u>71,161,900</u>
	<u>\$ 196,307,900</u>

<b><u>Solid Waste Capital Fund</u></b>	<b><u>Amount</u></b>
Year Ending December 31,	
2016	\$ 3,524,749
2017	3,460,169
2018	3,301,179
2019	2,835,269
2020	2,784,269
2021-2025	17,920,451
2026-2030	<u>10,715,044</u>
Total minimum lease payments	44,541,129
Less amount representing interest	<u>12,146,129</u>
Present value of net minimum lease payments	<u>\$ 32,395,000</u>

**Note 14: CAPITAL DEBT****General Debt – Serial Bonds**

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

County College Bonds, Series A 2003 - On January 15, 2003, the County issued \$8,700,000.00 of County College bonds with interest rates of 4.000%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is August 1, 2016.

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

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

General Obligation Bonds Series A 2007 – On August 29, 2007, the County issued \$35,128,000.00 of General Obligation bonds with interest rates of 4.250%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is September 1, 2022.

General Obligation Bonds, Series B 2007 BCIT – On August 29, 2007, the County issued \$7,500,000.00 with interest rates of 4.250%. The purpose of the bonds was to fund improvements at the County Vocational School. The final maturity of the bonds is September 1, 2022.

General Obligation Bonds, Series D 2007 SSSD – On August 29, 2007, the County issued \$3,259,000.00 with interest rates of 4.250%. The purpose of the bonds was to fund improvements at the County Special Services School District. The final maturity of the bonds is September 1, 2022.

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

General Improvement Bonds, Series 2008A - On September 2, 2008, the County issued \$31,981,000.00 of general improvement bonds with interest rates ranging from 3.500% to 4.000%. The bonds were issued for the purpose of funding various capital projects in the County. The final maturity of the bonds is September 1, 2022.

Special Services Schools Bonds, Series 2008B – On September 2, 2008, the County issued \$580,000.00 with interest rates of ranging from 3.500% to 4.000%. The purpose of the bonds was to fund improvements at the County Special Services School District. The final maturity of the bonds is September 1, 2022.

Vocational School Bonds, Series 2008B - On September 2, 2008, the County issued \$2,715,000.00 in Vocational School bonds with interest rates ranging from 3.500% to 4.000%. The purpose of the bonds was to fund improvements at the County Vocational School. The final maturity of the bonds is September 1, 2022.

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

**Note 14: CAPITAL DEBT (CONT'D)****General Debt – Serial Bonds (Cont'd)**

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

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

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

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

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

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

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

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 21,670,000	\$ 7,927,456	\$ 29,597,456
2017	21,184,001	6,769,857	27,953,858
2018	21,618,000	6,024,241	27,642,241
2019	20,737,001	5,242,874	25,979,875
2020	18,551,001	4,474,342	23,025,343
2021-2025	65,514,002	13,871,120	79,385,122
2026-2030	29,725,000	5,477,171	35,202,171
2031-2035	14,200,000	1,061,364	15,261,364
	<u>\$ 213,199,005</u>	<u>\$ 50,848,424</u>	<u>\$ 264,047,429</u>

**Note 14: CAPITAL DEBT (CONT'D)****General Debt – Green Acres Loans**

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

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

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 229,690	\$ 17,663	\$ 247,354
2017	234,307	13,047	247,354
2018	176,744	8,647	185,390
2019	180,296	5,094	185,390
2020	94,156	1,470	95,627
2021-2025	<u>25,111</u>	<u>1,272</u>	<u>26,383</u>
	<u>\$ 940,304</u>	<u>\$ 47,194</u>	<u>\$ 987,498</u>

**General Debt – New Jersey Environmental Infrastructure (EIT) Loans**

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

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

**Note 14: CAPITAL DEBT (CONT'D)****General Debt – New Jersey Environmental Infrastructure (EIT) Loans (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 434,371	\$ 39,038	\$ 473,409
2017	447,832	34,888	482,719
2018	438,099	28,888	466,987
2019	143,712	22,888	166,599
2020	143,712	21,388	165,099
2021-2025	753,558	81,688	835,245
2026-2030	793,558	44,288	837,845
2031-2035	370,114	9,500	379,614
	<u>\$ 3,524,954</u>	<u>\$ 282,563</u>	<u>\$ 3,807,517</u>

**Solid Waste Utility Debt – Serial Bonds**

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

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

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,445,000	\$ 1,985,009	\$ 5,430,009
2017	3,570,000	1,870,934	5,440,934
2018	3,700,000	1,728,453	5,428,453
2019	3,875,000	1,555,097	5,430,097
2020	4,050,000	1,373,233	5,423,233
2021-2025	19,590,000	3,822,347	23,412,347
2026-2030	4,305,000	349,598	4,654,598
	<u>\$ 42,535,000</u>	<u>\$ 12,684,671</u>	<u>\$ 55,219,671</u>

**Note 14: CAPITAL DEBT (CONT'D)****Solid Waste Utility Debt – New Jersey Environmental Infrastructure (EIT) Loans**

The County entered into a loan agreement with the New Jersey Environmental Infrastructure Trust, at no interest, from the fund loan, and at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund projects at the County Solid Waste Complex. Semiannual debt payments are due February 1st and August 1st through 2016.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 2,021,092</u>	<u>\$ 66,650</u>	<u>\$ 2,087,742</u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 246,889,847	\$ 265,030,255	\$ 249,246,250
Sold Waste Utility:			
Bonds, Loans and Notes	<u>68,999,492</u>	<u>68,544,755</u>	<u>55,018,350</u>
Total Issued	<u>315,889,339</u>	<u>333,575,010</u>	<u>304,264,600</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	65,070,554	69,784,637	96,458,628
Sold Waste Utility:			
Bonds, Loans and Notes	<u>11,026,333</u>	<u>9,896,271</u>	<u>26,089,671</u>
Total Authorized but not Issued	<u>76,096,887</u>	<u>79,680,908</u>	<u>122,548,299</u>
Total Issued and Authorized but not Issued	<u>391,986,226</u>	<u>413,255,918</u>	<u>426,812,899</u>
<b><u>Deductions</u></b>			
General:			
Accounts Receivable from Other Public Authorities for Payment of the Gross Debt Funds Temporarily Held to Pay Bonds and Notes	8,482,500	10,092,500	7,487,500
21,468,427	21,365,982	21,334,550	
Sold Waste Utility: Self-Liquidating	<u>80,025,825</u>	<u>78,441,026</u>	<u>81,108,021</u>
Total Deductions	<u>109,976,752</u>	<u>109,899,508</u>	<u>109,930,071</u>
<b>Net Debt</b>	<u>\$ 282,009,475</u>	<u>\$ 303,356,410</u>	<u>\$ 316,882,828</u>



**Note 14: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .616%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 342,954,000	\$ 342,954,000	
Solid Waste Utility	80,025,825	80,025,825	
General Debt	311,960,402	29,950,927	\$ 282,009,475
	<u>\$ 734,940,226</u>	<u>\$ 452,930,752</u>	<u>\$ 282,009,475</u>

Net debt \$282,009,475 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$45,779,161,534, equals .616%.

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

2% of Equalized Valuation Basis (County)	\$ 915,583,231
Less: Net Debt	<u>282,009,475</u>
Remaining Borrowing Power	<u>\$ 633,573,756</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 32,617,532
Deductions:	
Operating and Maintenance Costs	\$ 18,810,178
Debt Service	<u>11,173,522</u>
Total Deductions	<u>29,983,700</u>
Excess/(Deficit) in Revenue	<u>\$ 2,633,832</u>

A revised Annual Debt Statement should be filed.

**Note 15: DEFEASED DEBT**

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the County's financial statements. As of December 31, 2015, the total amount of defeased debt outstanding, but removed from the County's financial statements, is \$43,239,000.00.

**Note 16: RESERVE FOR INTEREST REBATE**

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

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

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

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

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

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

**Closure**

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

**Post-Closure**

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

Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for estimated liability for combined closure and post-closure costs based on landfill capacity as of December 31, 2015.

**Note 17: COUNTY OWNED LANDFILL - CLOSURE AND POST-CLOSURE COSTS (CONT'D)****Closure and Post-Closure Plan Funding and Projected Costs**

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

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

**Note 18: DEBT SERVICE AGREEMENTS**

The County of Burlington adopted resolutions during 2013 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$60,000,000; in 2015 \$5,000,000 was canceled. At December 31, 2015, notes in the amount of \$54,905,000 have been issued and the County is the only participant in this issue.

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

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

At December 31, 2015, notes in the amount of \$39,870,000 have been issued on the combined amount of the \$46,000,000 and \$39,937,900 issues.

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

The County of Burlington adopted resolutions during 2015 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$49,820,000 for Bridge Commission Capital Improvements. The County is not a participant in this issue.

The County – Guaranteed Burlington County Bridge Commission Bonds totaling \$342,954,000 as of December 31, 2015 are as follows:

October 1, 2002	Pooled Loan Revenue Bonds	\$	1,284,000.00
November 20, 2003	Lease Revenue Bonds		605,000.00
December 7, 2005	Pooled Loan Revenue Bonds		4,340,000.00
September 16, 2006	Lease Revenue Bonds		5,420,000.00
September 16, 2006	Pooled Loan Revenue Bonds		10,120,000.00
August 15, 2007	Lease Revenue Refunding Bonds		24,620,000.00
November 28, 2007	Pooled Loan Revenue Bonds		1,890,000.00
August 15, 2009	Pooled Loan Revenue Bonds		12,930,000.00
October 27, 2010	Pooled Loan Revenue Bonds		12,640,000.00
March 16, 2011	Loan Revenue Refunding Bonds		10,823,000.00
September 8, 2011	Loan Revenue Refunding Bonds		7,675,000.00
March 11, 2013	Loan Revenue Refunding Bonds		18,580,000.00
October 1, 2013	Bridge System Revenue Bonds		40,460,000.00
October 7, 2013	Loan Revenue Refunding Bonds		26,380,000.00
January 2, 2014	Loan Revenue Refunding Bonds		10,732,000.00
June 25, 2014	Lease Revenue Refunding Bonds		9,860,000.00
	2012 Capital Lease Program Notes		54,905,000.00
	2013-2014 Capital Lease Program Notes		39,870,000.00
	Bridge Commission Capital Improvement Notes		49,820,000.00
			<u>\$ 342,954,000.00</u>

At December 31, 2015 the County's balance payable of the Burlington County Bridge Commission's Governmental Leasing Program (Debt Service Agreements) was \$125,146,000 in the General Capital Fund and \$32,395,000 in the Utility Capital Fund, see Lease Obligations Note.

**Note 19: INSURANCE COMMISSION**

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

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

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

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

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

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

**Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST**

On November 5, 1996, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of Burlington County authorized the establishment of the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 1997, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The County proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation for fifteen years. Amounts raised by taxation are apportioned by the County Board of Taxation among the municipalities in accordance with N.J.S.A. 54:4-9 and are assessed, levied and collected in the same manner and at the same time as other County taxes. On November 3, 1998, the voters of Burlington County authorized an increase in the Open Space, Recreation, Farmland and Historic Preservation tax from two cents per hundred to four cents per hundred dollars of equalized valuation for twenty years, and on November 7, 2006 the voters extended the tax to 2036. In 2015, revenue from the tax was allocated as follows: one cent to open space preservation and three cents to historical preservation, maintenance and development of lands acquired for recreation and conservation purposes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

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

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

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements:

<u>Resolution Number</u>	<u>Issue Date</u>	<u>IPA Account Number</u>	<u>Principal Due Date</u>	<u>Initial Investment Required</u>	<u>Investment Value At Maturity</u>
2002-480	07/19/02	2002-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2001-899	11/15/02	2002-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2002-723	11/14/02	2002-03	11/15/16-11/15/18	Not Applicable	Not Applicable
2002-885	12/05/02	2002-04	11/15/16-11/15/18	Not Applicable	Not Applicable
2001-898	02/17/03	2003-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-058	02/21/03	2003-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-059	02/17/03	2003-03	11/15/16-11/15/18	Not Applicable	Not Applicable
2002-625	03/10/03	2003-03A	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-414	07/10/03	2003-05	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-487	07/15/03	2003-06	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-488	08/05/03	2003-07	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-869	12/15/03	2003-08	11/15/16-11/15/18	Not Applicable	Not Applicable
2004-261	04/21/04	2004-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2004-263	04/21/04	2004-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2004-262	04/21/04	2004-03	11/15/16-11/15/18	Not Applicable	Not Applicable
2001-900	04/15/05	2005-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2005-228	04/15/05	2005-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2005-306	05/15/05	2005-03	11/15/16-11/15/18	Not Applicable	Not Applicable
2006-298	07/25/06	2006-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2006-1109	12/15/06	2006-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2007-983	12/11/07	2007-01	11/15/16-11/15/26	Not Applicable	Not Applicable
2008-362	06/24/08	2008-01	11/15/16-11/15/27	Not Applicable	Not Applicable
2003-217	06/24/08	2008-02	11/15/16-11/15/27	Not Applicable	Not Applicable
2008-622	08/27/08	2008-03	11/15/16-11/15/28	Not Applicable	Not Applicable
2011-277	11/15/12	2012-01	11/15/16-11/15/31	Not Applicable	Not Applicable
2011-276	04/26/14	2014-01	11/15/16-11/15/33	Not Applicable	Not Applicable
2013-561	11/17/14	2015-01	11/15/16-11/15/34	Not Applicable	Not Applicable
2001-400	09/11/01	70-T031-29-6	11/15/18	\$90,414	\$238,000
2001-308	02/11/02	70-T035-36-2	11/15/18	150,662	397,000
2001-400	04/25/02	70-T036-37-8	11/15/18	116,484	316,000
2001-597	05/07/02	70-T037-38-4	11/15/18	844,011	2,229,000
2001-400	06/04/02	70-T038-39-0	11/15/18	109,454	291,000
2001-597	07/17/02	70-T039-40-6	11/15/18	196,017	508,000
2001-308	07/12/02	70-T040-41-2	11/15/18	91,653	230,000
2001-308	08/29/02	70-T041-42-8	11/15/18	91,318	218,000
2001-308	09/12/02	70-T042-43-4	11/15/18	94,250	225,000
2002-621	09/26/02	70-T043-44-0	11/15/18	260,998	585,000
2002-179	11/01/02	70-T045-46-0	11/15/18	250,096	598,000
2002-689	03/14/03	70-T046-47-6	11/15/18	357,000	767,000
2002-564	05/08/03	70-T047-49-0	11/15/18	64,482	139,000

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

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

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

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

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

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

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

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

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

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

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

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

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



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

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

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

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

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

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

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

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

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

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

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

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

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

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

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

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

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

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

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

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

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

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

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

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

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

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

**Note 21: BOARD OF SCHOOL ESTIMATES**

The Board of School Estimates approved an Appropriation of \$15,894,974 for the Burlington County Institute of Technology for the School Year July 1, 2015 to June 30, 2016. The County funded this amount by appropriating \$2,430,000 in the County's 2015 budget and \$13,464,974 in the County's 2016 budget.

The Board of School Estimates approved an Appropriation of \$4,800,000 for the Burlington County Special Services School District County for the School Year July 1, 2015 to June 30, 2016. The County funded this amount by appropriating \$400,000 in the County's 2015 budget and \$4,400,000 in the County's 2016 budget.

**Note 22: CONTINGENCIES**

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

**Litigation** - The County is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the County, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 23: CONCENTRATIONS**

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

**Note 24: SUBSEQUENT EVENTS**

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

<u>Purpose</u>	<u>Date</u>	<u>Authorization</u>
<b>General Improvements</b>		
Refunding bond ordinance authorizing issuance of up to \$35,500,000 for an advance refunding all or portion of callable maturities of outstanding GO bonds, series 2007, 2008A, and 2008B	01/27/16	\$ 2,604,000
Providing for the acquisition of real property located at 1020 Briggs Road, in the Township of Mount Laurel, New Jersey, and improvements located thereon and minor renovations thereto	03/09/16	6,222,500
Providing for a portion of the costs of design, construction, renovation and equipping of a multi-year, multi-phase capital improvement program for Rowan College at Burlington County campuses	04/27/16	7,900,000
Providing for the costs of design, construction, renovation and equipping of a multi-year, multi-phase capital improvement program in FY16 and beyond for Rowan College at Burlington County Campuses	06/08/16	45,000,000

**APPENDIX B**  
**GENERAL INFORMATION CONCERNING THE COUNTY OF BURLINGTON,**  
**NEW JERSEY**

**GENERAL INFORMATION REGARDING THE COUNTY**

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

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

**Population<sup>1</sup>**

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

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

**Labor Force**

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

**LABOR FORCE DATA<sup>2</sup>**

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

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<sup>1</sup> Source: U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> In thousands. N.J. Department of Labor and Workforce Development.

## **Farming**

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

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

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

## **Transportation**

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

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

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

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

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<sup>1</sup> Source: 2002 Census of Agriculture, USDA National Agricultural Statistics Service.

<sup>2</sup> Source: Burlington County Department of Resource Conservation.

## Industries

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

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

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



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

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

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

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

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

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

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

## **Housing**

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

## **Military Bases**

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

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

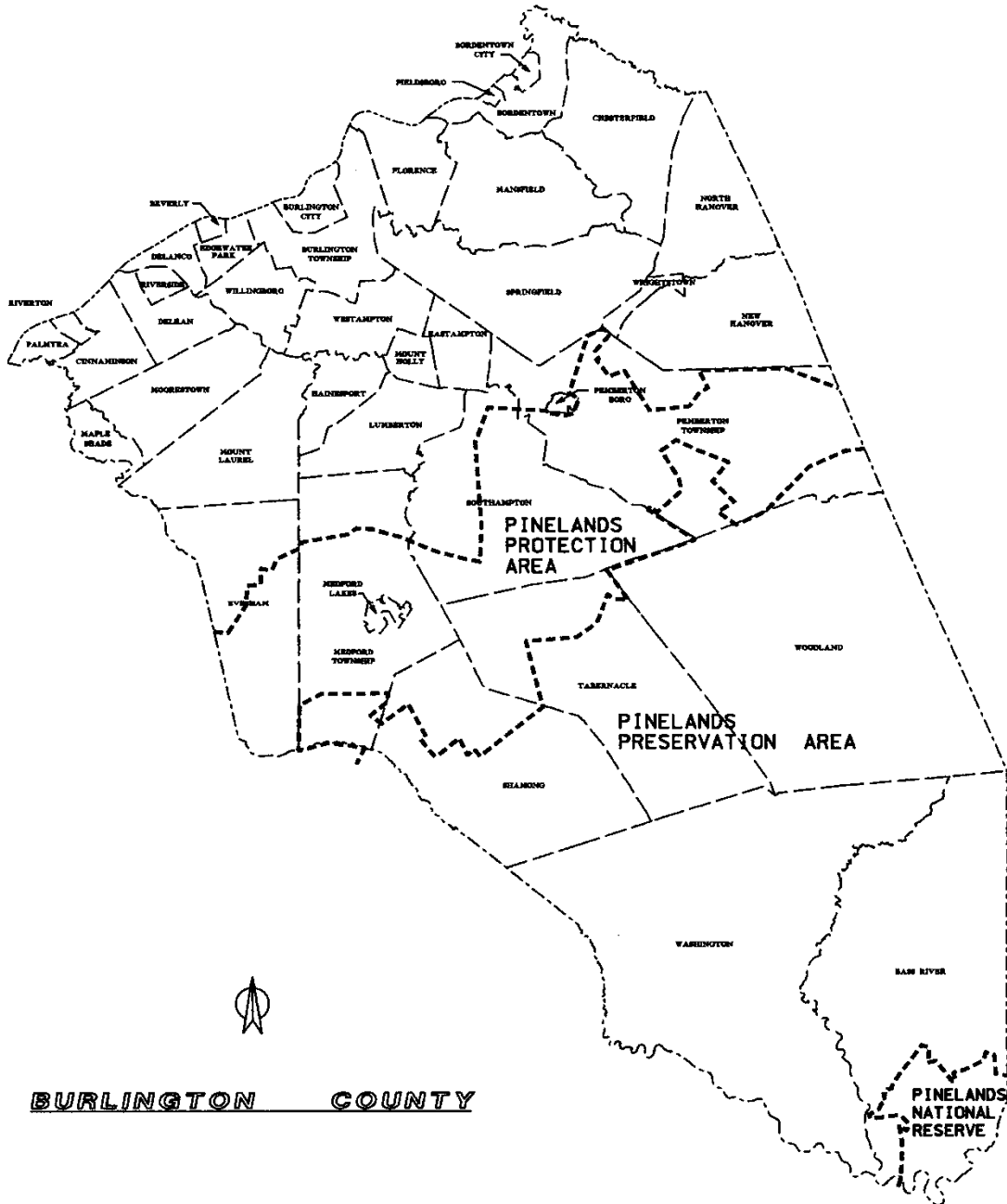
At Fort Dix, the expanding role of the U.S. Reserves in the post-Cold War era has made the post busier than ever. The 50 square mile post has adapted to include new sources of employment, including the largest federal prison in the country and a state youth correctional facility. The Navy, Veterans Affairs,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

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

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

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

### The Pinelands Planning Boundaries in Burlington County



## Pinelands

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

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

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

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

### PINELANDS MUNICIPALITIES WITHIN THE COUNTY

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

## Shopping Facilities

Shopping facilities in the County are as varied as they are excellent. In addition to the neighborhood stores of each community, the County has many of the nation's finest shopping

centers in the region. The Moorestown Mall offers more than 1 million square feet of retail space that includes major department stores Boscov's, Sears and Lord and Taylor..

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

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

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

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

### **Rowan College at Burlington County (Formerly Burlington County College)**

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

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

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

area and state-of-the-art technology. This building will serve as the gateway to the newly transformed Mount Laurel campus with a total investment of \$55 million and renovation of 240,000 square feet.

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

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

### **Burlington County Institute of Technology**

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

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

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

### **Burlington County Special Services School District**

The Burlington County Special Services School District was created by the Board in June 1972. The District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, Medford, and Mount Laurel and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped and the autistic; (2) elementary school

students with severe emotional and social problems; (3) students ages fourteen through sixteen with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen to twenty-one. The enrollment for the Special Services School District is 695 students.

## **Recreation**

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

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

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

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

## **Business Atmosphere**

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

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

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<sup>1</sup> Source: US Census Bureau <http://www.census.gov/quickfacts/table/BZA010214/34005,00>

## **Health Care**

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

## **Labor Contracts**

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

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

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

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



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

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

### **Accumulated Vacation and Sick Pay**

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

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

### **Pension Costs**

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

### **County Employees**

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

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## TWENTY LARGEST TAXPAYERS<sup>1</sup>

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

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

## TEN LARGEST PRIVATE EMPLOYERS<sup>2</sup>

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

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

<sup>1</sup> Source: Burlington County Board of Taxation.

<sup>2</sup> Source: Burlington County Bridge Commission Department of Economic Development and Regional Planning – 2017.

**2016 COUNTY BUDGET<sup>1</sup>**

**CURRENT FUND**

**ANTICIPATED REVENUES:**

Fund Balance	\$6,040,000.00
Miscellaneous Revenues	37,163,559.00
Amount to be Raised by Taxation – County Purpose	<u>155,500,000.00</u>

**TOTAL ANTICIPATED REVENUES** \$198,703,559.00

**APPROPRIATIONS:**

Operations	\$151,104,196.00
Debt Service	32,187,881.00
Deferred Charges & Statutory Expenditures	<u>15,411,482.00</u>

**TOTAL APPROPRIATIONS** \$198,703,559.00

**SOLID WASTE UTILITY**

**ANTICIPATED REVENUES:**

Fund Balance	\$3,549,660.00
Miscellaneous Revenues:	
Sludge Disposal Fees	2,500,000.00
Solid Waste Fees *	22,334,000.00
Miscellaneous	<u>4,073,580.00</u>

**TOTAL ANTICIPATED REVENUES** \$32,457,240.00

**APPROPRIATIONS:**

Operating	\$20,404,061.00
Debt Service	11,482,860.00
Deferred Charges and Statutory Expenditures	<u>570,319.00</u>

**TOTAL APPROPRIATIONS** \$32,457,240.00

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\* Solid waste tipping fees for 2016 are currently being billed at \$79.18 per ton (consisting of the base rate of \$71.29 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement fee of \$0.33 per ton) and assumes 2015 solid waste tonnages, without solid waste "flow control". See "SOLID WASTE FLOW CONTROL" herein for a discussion of the re-institution of solid waste "flow control" in the County as of June 15, 2012.

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<sup>1</sup> The 2016 County Budget was adopted on July 13, 2016.

**CAPITAL PROGRAM<sup>1</sup>**  
**PROJECTS FOR THE YEARS 2016-2021**

	<b><u>ESTIMATED TOTAL COST</u></b>	<b><u>BOND AND NOTES GENERAL</u></b>	<b><u>GRANTS IN AID AND OTHER FUNDING</u></b>	<b><u>FUTURE YEARS</u></b>
Design, construction, reconstruction and resurfacing of various roadways, bridges and drainage systems, including acquisition of various right-of-way easements therefore, within the County and improvements to various traffic signal systems within the County	\$192,582,350	\$23,579,000	\$23,313,600	\$145,689,750
Acquisition of minor capital equipment for various County departments	3,840,020	1,287,340		2,552,680
Renovations and Improvements to the Juvenile Detention Facility and CWRC	4,366,000	100,000		4,266,000
Acquisition of Vehicles for Various County Departments	11,089,600	1,850,000		9,239,600
Renovations and Improvements to the Human Services Building	2,750,000	2,750,000		-
Renovations and Improvements and Remediation at Various County Facilities	17,812,000	9,502,000		8,310,000
<b>TOTALS</b>	<b><u>\$232,439,970</u></b>	<b><u>\$39,068,340</u></b>	<b><u>\$23,313,600</u></b>	<b><u>\$170,058,030</u></b>

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<sup>1</sup> The 2016-2021 County Capital Program was adopted on July 13, 2016.

**TAX COLLECTIONS<sup>1</sup>**

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

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

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

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

<u>YEAR</u>	<u>TAX RATE<sup>2</sup></u>
2016	0.0400
2015	0.0400
2014	0.0150
2013	0.0150
2012	0.0400
2011	0.0400

**COUNTY LIBRARY TAX**

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

<u>YEAR</u>	<u>COUNTY LIBRARY TAX RATE<sup>3</sup></u>
2016	0.0312
2015	0.0317
2014	0.0308
2013	0.0302
2012	0.0291
2011	0.0293

<sup>1</sup> County taxes are levied and collected directly from the constituent municipalities.

<sup>2</sup> Per \$100 of equalized valuation.

<sup>3</sup> Excludes the Townships of Moorestown, Mount Laurel and Willingboro, which operate their own libraries from their municipal budgets.

**COUNTY OF BURLINGTON, NEW JERSEY  
2016 REAL PROPERTY CLASSIFICATION**

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

**FIVE YEAR COMPARISON  
REAL PROPERTY CLASSIFICATION**

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

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<sup>1</sup> Does not include taxable value of machinery, etc., of Telephone, Telegraph and Messenger System Companies.

## STATEMENT OF EQUALIZED VALUATIONS FOR CONSTITUENT MUNICIPALITIES

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

Source: County Abstract of Rates

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

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

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

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

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

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

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

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

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

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

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

### **Revenue**

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

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



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

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

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

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

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

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

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

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

## **Real Estate Taxes**

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

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

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

## **Deferral of Current Expenses**

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

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

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

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

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

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

## **Related Constitutional and Statutory Provisions**

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

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

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

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

## **Limitation of Remedies Under Federal Bankruptcy Code**

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

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

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

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

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

## **COUNTY INDEBTEDNESS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

for Burlington County Special Services School District projects in accordance with *N.J.S.A. 18A:46-42* each of which, likewise, generally require compliance with the Local Bond Law except that debt limitations and down payment requirements contained in the Local Bond Law do not apply.

## **SOLID WASTE UTILITY**

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

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

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

The Utility is supported by revenues generated by the operation of the Complex. A separate budget is established for the Utility. The anticipation of revenues and appropriations for the Utility is set forth in such separate budget, which is required to be balanced and to fully provide for debt service. See "2016 COUNTY BUDGET - SOLID WASTE UTILITY" herein. The State budget regulations for local governments, including the County, regarding anticipation of revenue and deferral of charges apply equally to the budget of the Utility. Deficits or anticipated deficits in Utility operations, which cannot be provided for from the Utility surplus, if any, are required to be raised in the "current" or operating budget of the local government. See "CERTAIN PROVISIONS OF THE LAWS OF NEW JERSEY RELATING TO COUNTY FINANCIAL OPERATIONS" herein for a description of the

budgeting process for counties and municipalities in the State. The debt obligations issued by the County incident to the Complex are general obligations of the County, payable ultimately from *ad valorem* taxes levied upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount to the extent payment is not otherwise provided from the Utility.

### **SOLID WASTE FLOW CONTROL**

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

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

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

The Complex processed 315,898 tons of solid waste in 2015 for which 2015 solid waste tipping fees were assessed and paid and was self-liquidating. The County's 2015 solid waste tipping fee was \$77.78 per ton (consisting of the base rate of \$69.89 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement

fee of \$0.33 per ton). On July 13, 2016, the County adopted a 2016 Solid Waste Utility budget that was self-liquidating. The 2016 Solid Waste Utility budget assumed 2015 solid waste tonnage, which included additional tonnage that was delivered to the Complex as a result of the re-institution of flow control pursuant to Amendment 11-3. See "2016 COUNTY BUDGET – SOLID WASTE UTILITY" herein. The County's 2016 solid waste tipping fee is \$79.18 per ton (consisting of the base rate of \$71.29 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement fee of \$0.33 per ton).

### **OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST**

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

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**COUNTY OF BURLINGTON, NEW JERSEY  
STATEMENT OF INDEBTEDNESS**

**As of April 1, 2017**

**BONDS AND NOTES ISSUED:**

**Serial Bonds Issued:**

General	\$150,511,485		
Vocational School	8,406,023		
Special Services School District	9,343,578		
County College	<u>29,761,915</u>		
		\$198,023,001	
Solid Waste Utility		39,090,000	
Burlington County Bridge Commission		206,293,000	
			\$443,406,001

**Bond Anticipation Notes Issued:**

General Improvement		64,074,000	
Solid Waste Utility		29,026,000	
Burlington County Bridge Commission		<u>124,300,000</u>	
			217,400,000

**Loans Payable:**

Green Acres		710,614	
Environmental Infrastructure Trust		4,723,393	
Wastewater Trust / NJDEP		<u>0</u>	
			5,434,007

**Serial Bonds - Authorized but not Issued:**

General	\$54,768,294		
County College	23,400,216		
Vocational School	0		
Special Services School	<u>258,567</u>		
		\$78,427,078	
Solid Waste Utility		<u>6,193,733</u>	
			<u>84,620,810</u>

**TOTAL GROSS DEBT:** 750,860,819

**Applicable Deductions from Gross Debt:**

Funds on Hand	\$1,843,165		
Accounts Receivable from Other Public Authorities	10,675,000		
Investments for IPAs	<u>18,545,474</u>		
		\$31,063,639	
Solid Waste Utility		74,309,733	
Burlington County Bridge Commission		<u>330,593,000</u>	
			<u>435,966,372</u>
<b>TOTAL NET DEBT:</b>			<u><u>\$314,894,447</u></u>

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

**As of April 1, 2017**

Solid Waste Utility System	
(a) Gross Solid Waste Utility System Debt	\$74,309,733
(b) Less: Deficit (Capitalized at 5%)	\$0
(c) Deduction	\$74,309,733
(d) Plus: Cash on Hand to Pay Bonds and Notes included in above	\$0
(e) Total Deduction	\$74,309,733

**DEBT RATIOS AND VALUATIONS**

**As of April 1, 2017**

Average of Equalized Valuation of Real Property With Improvements and Second Class Railroad Property for 2014, 2015 and 2016.	\$46,049,674,354
Statutory Net Debt as a Percentage of the Average of Equalized Valuation of Real Property for 2014, 2015 and 2016.	0.68%
2016 Net Valuation Taxable.	\$43,225,702,732
2016 Total Value of Land and Improvements.	\$43,169,362,738
2016 Equalized Valuation of Real Property With Improvements and Second Class Railroad Property	\$46,309,424,625
Gross Debt <sup>(1)</sup>	
As a Percentage of 2016 Net Valuation Taxable	1.74%
As a Percentage of 2016 Equalized Valuation	1.62%
Net Debt	
As a Percentage of 2016 Net Valuation Taxable	0.73%
As a Percentage of 2016 Equalized Valuation	0.68%
Gross Debt per Capita <sup>(2)</sup>	\$1,673.29
Net Debt per Capita <sup>(1)</sup>	\$701.74

**BORROWING CAPACITY**

**As of April 1, 2017**

Statutory Borrowing Power	
2% of Average (2014-2016) Equalized Valuation of Real Property With Improvements and Second Class Railroad Property (\$46,049,674,354)	\$920,993,487
Net Debt	\$314,894,447
Remaining Borrowing Power Available Under <i>N.J.S.A. 40A:2-6</i>	\$606,099,040

<sup>(1)</sup> Excluding Overlapping Debt.

<sup>(2)</sup> Based on 2010 Census Population – See "GENERAL INFORMATION REGARDING THE COUNTY - Population" herein.

**SCHEDULE OF COUNTY DEBT SERVICE  
(BONDED DEBT AND LOANS)**

**As of April 1, 2017**

<u>Year</u>	<u>Principal Outstanding by Purpose</u>						<u>Total</u>		<u>Principal and Interest</u>
	<u>General</u> <sup>(1)</sup>	<u>College</u>	<u>Vocational School</u>	<u>Special Services School Bonds</u>	<u>Open Space</u> <sup>(2)</sup>	<u>Solid Waste Utility</u>	<u>Principal</u>	<u>Interest</u>	
2017	13,929,901	3,627,964	1,574,250	893,987	2,158,694	3,570,000	25,841,569	6,490,437	32,332,006
2018	14,955,622	3,099,884	1,465,950	843,709	2,136,131	3,700,000	26,292,441	7,824,226	34,116,667
2019	14,942,902	3,281,803	1,816,440	993,363	1,885,297	3,875,000	26,890,608	6,871,675	33,762,282
2020	11,408,014	3,505,547	1,051,031	999,107	1,834,157	4,050,000	22,947,468	5,864,595	28,812,063
2021	11,480,825	1,945,108	1,045,888	1,002,927	1,790,387	4,240,000	21,608,698	5,074,516	26,683,214
2022	11,547,171	1,976,305	1,048,045	1,008,994	1,840,496	4,380,000	21,908,807	4,291,169	26,199,976
2023	6,208,862	2,028,005	89,818	651,624	1,895,606	4,445,000	15,318,917	3,470,699	18,789,615
2024	6,322,004	2,081,341	90,744	659,220	1,950,719	4,520,000	15,624,030	2,896,977	18,521,007
2025	6,437,006	2,135,998	91,748	667,559	2,017,902	2,005,000	13,355,213	2,300,281	15,655,493
2026	3,706,866	2,156,976	42,828	356,640	2,085,000	2,095,000	10,443,311	1,811,024	12,254,334
2027	3,808,587	1,434,275	43,985	366,463	2,160,000	2,210,000	10,023,311	1,460,561	11,483,872
2028	3,912,557	1,483,210	45,297	377,247	2,250,000	-	8,068,311	1,098,731	9,167,042
2029	1,836,624	188,625	-	98,062	2,345,000	-	4,468,311	892,638	5,360,948
2030	1,892,450	194,661	-	101,200	2,445,000	-	4,633,311	727,503	5,360,814
2031	1,943,276	200,697	-	104,338	2,555,000	-	4,803,311	553,525	5,356,836
2032	1,991,027	207,236	-	107,738	2,670,000	-	4,976,001	365,088	5,341,089
2033	1,943,922	214,278	-	111,399	2,790,000	-	5,059,599	169,050	5,228,649
2034	94,599	-	-	-	-	-	94,599	3,600	98,199
2035	94,599	-	-	-	-	-	94,599	2,400	96,999
2036	94,599	-	-	-	-	-	94,599	1,200	95,799
	<u>\$118,551,412</u>	<u>\$29,761,915</u>	<u>\$8,406,023</u>	<u>\$9,343,578</u>	<u>\$36,809,389</u>	<u>\$39,090,000</u>	<u>\$242,547,008</u>	<u>\$52,169,895</u>	<u>\$294,716,903</u>

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

(2) Includes New Jersey Environmental Infrastructure Trust, Series 2004A, Green Acres Loans and General Obligation Bonds, Series 2013C (Open Space)

**STATEMENT OF DEBT OF CONSTITUENT MUNICIPALITIES<sup>(1)</sup>**

**As of December 31, 2015, Except Where Otherwise Noted**

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

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

(2) Source: 2015 Audited Financial Statement

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

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

**APPENDIX C**  
**COPY OF THE 2013 BOND RESOLUTION**

**APPENDIX C**

**2013 Resolution**

**APPENDIX C-1**

**2017 Supplemental Resolution**

**APPENDIX C-2**

**2013 Resolution**



**RESOLUTION NO. 2017-23**

**SUPPLEMENTAL RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION SUPPLEMENTING THE COMMISSION'S RESOLUTION ENTITLED "RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION LEASE REVENUE BONDS (GOVERNMENTAL LEASING PROGRAM), SERIES 2013, CONSISTING OF COUNTY GUARANTEED LEASE REVENUE REFUNDING BONDS AND LEASE REVENUE BONDS OR NOTES", DULY ADOPTED ON JUNE 18, 2013, AS AMENDED AND RESTATED ON MAY 13, 2014, AND AS SUPPLEMENTED ON OCTOBER 14, 2015 AND AS SUPPLEMENTED ON MARCH 15, 2016.**

WHEREAS, the Burlington County Bridge Commission ("Commission") has been duly created by resolution of the Board of Chosen Freeholders of the County of Burlington, New Jersey ("County"), duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey ("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 ("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 adopted a resolution entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013, Consisting Of County Guaranteed Lease Revenue Refunding Bonds And Lease Revenue Bonds Or Notes", duly adopted on June 18, 2013, as amended and restated on May 13, 2014 (collectively "Resolution"), to authorize the issuance of not-to-exceed \$60,000,000 in Lease Revenue Notes to finance on behalf of the County, the County's 2012 Capital Plan ("2012 Capital Project"); and

WHEREAS, on November 19, 2013, in accordance with the Resolution, the Commission issued \$30,000,000 aggregate principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2013 ("Series 2013 Notes"), for the purpose of financing the initial costs of the 2012 Capital Project; and

WHEREAS, on May 5, 2015, in accordance with the Act and the Bond Resolution, the Commission issued \$29,950,000 aggregate principal amount of its Lease Revenue Notes

(Governmental Leasing Program), Series 2015 (“Series 2015 Notes”), for the purpose of financing the initial costs of the 2015 Capital Program; and

**WHEREAS**, in connection with the issuance of the Series 2013 Notes, the Commission and the County executed an Improvement Lease Agreement dated as of November 19, 2013 (“Improvement Lease” and an Equipment Lease Agreement dated as of November 19, 2013 (“Equipment Lease” and together with the Improvement Lease “Leases”), each to finance a portion of the 2012 Capital Project, pursuant to which Leases the County agreed to make Rental Payments to the Commission to pay the principal of and interest on the Lease Revenue Notes, including the Series 2013 Notes; and

**WHEREAS**, on November 18, 2014, in accordance with the Resolution, the Commission issued \$60,000,000 aggregate principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2014 (“Series 2014 Notes”), for the purpose of (i) refinancing the Series 2013 Notes and (ii) financing additional costs of the 2012 Capital Program and the costs of issuance relating to the Series 2014 Notes; and

**WHEREAS**, to fully secure the Series 2014 Notes, on November 18, 2014, the Commission and the County executed a First Amendment to each of the Leases to provide for the payments of Rentals by the County in connection with the issuance of the Series 2014 Notes; and

**WHEREAS**, the Series 2014 Notes matured on November 18, 2015; and

**WHEREAS**, on November 17, 2015, in accordance with the Resolution, the Commission issued \$54,905,000 aggregate principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (“Series 2015B-1 Notes”), for the purpose of (i) refinancing a \$55,000,000 portion of the Series 2014 Notes, together with \$5,000,000 paid by the County and (ii) the costs of issuance relating to the Series 2015B-1 Notes; and

**WHEREAS**, to fully secure the Series 2015B-1 Notes, on November 17, 2015, the Commission and the County executed a Second Amendment to each of the Leases to provide for the payments of Rentals by the County in connection with the issuance of the Series 2015B-1 Notes; and

**WHEREAS**, the Series 2015B-1 Notes matured on May 17, 2016; and

**WHEREAS**, on April 27, 2016, the Commission issued its \$24,905,000 Lease Revenue Notes (“Series 2016A Notes”) to temporarily refinance a \$25,000,000 portion of the Series 2015B-1 Notes and at the same time to issue its \$27,660,000 in Lease Revenue Bonds

("Series 2016 Bonds") to permanently finance the remaining outstanding portion of the 2015B-1 notes; and

**WHEREAS**, to fully secure the Series 2016A Notes, on April 27, 2016, the Commission and the County executed a Fourth Amendment to each of the Leases to provide for the payments of Rentals by the County in connection with the issuance of the Series 2016A Notes; and

**WHEREAS**, the Series 2016A Notes mature on April 26, 2017; and

**WHEREAS**, the Resolution, as amended and supplemented by the 2015 Supplemental Resolution, authorized the Commission to issue Lease Revenue Bonds or Notes and the County has requested that the Commission issue Lease Revenue Notes to (i) temporarily refinance the \$24,905,000 portion of the Series 2016A Notes and (ii) the costs of issuance relating to the Series 2017A Notes (as hereinafter defined); and

**WHEREAS**, the commission has determined pursuant to the terms and conditions set forth in the Resolution, as amended and supplemented by the 2015 Supplemental Resolution and this 2017A Note Supplemental Resolution, to issue a series of Lease Revenue Notes in the principal amount not-to-exceed \$25,000,000 ("Series 2017A Notes") which will be used to temporarily refinance a \$24,905,000 portion of the Series 2016A Notes; and

**WHEREAS**, the Commission desires to authorize a Fifth Amendment to the Leases to provide for the payments of Rentals by the County in connection with the issuance of the series 2017A Notes; and

**WHEREAS**, payment of the principal of and interest on the Series 2017A Notes will be payable from Rental Payments to be made by the County under the terms of the Leases, as further amended by the Fifth Amendments to the Leases.

**NOW, THEREFORE, BE IT RESOLVED** by the Burlington County Bridge Commission as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

**Section 101. Short Title.** This supplemental resolution may hereinafter be cited by the Commission, and is hereinafter sometimes referred to, as "2017A Note Supplemental Resolution".

**Section 102. Authorization for 2017A Note Supplemental Resolution.** This 2017A Note Supplemental Resolution further supplements the Resolution, as amended and supplemented by the 2015 Supplemental Resolution, and is authorized by, and is adopted pursuant to, the provisions of the Act and Sections 1101 of the Resolution.

**Section 103. Certain Definitions.** Capitalized terms used but not specifically defined herein and in the recitals hereto shall, unless the context clearly requires otherwise, have the meanings that are ascribed to such terms in the Resolution.

## ARTICLE II

### AUTHORIZATION OF SERIES 2017A Notes

**Section 201. Authorization of Series 2017A Notes.** Pursuant to and in accordance with the provisions of Section 201 of the Resolution, the Commission hereby authorizes the issuance of a series of Lease Revenue Notes, in an aggregate principal amount not-to-exceed \$25,000,000, in order to pay: (i) the costs of refinancing a \$24,905,000,000 portion of the Series 2016A Notes and (ii) paying the costs of issuance relating to the Series 2017A Notes. The Series 2017A Notes shall be designated "Lease Revenue Notes (Governmental Leasing Program), Series 2017A."

**Section 202. Terms of Series 2017A Notes.** (a) The Series 2017A Notes shall be dated their date of issuance, shall mature and shall bear interest at such rate of interest per annum as shall be determined by the Series Certificate delivered prior to the authentication and delivery upon original issuance of the Series 2017A Notes. The Series Certificate may contain such other terms and provisions with respect to the Series 2017A Notes that are not established by the terms of the Resolution or by the terms hereof and that are not inconsistent with the provisions thereof and hereof.

(b) The Series 2017A Notes shall be issued in fully registered form in the par amount of the Series 2017A Notes. Unless the Commission shall otherwise direct the Registrar, the Series 2017A Notes shall be lettered and numbered R-1 and/or such other letter or letters as determined by the Trustee prefixed to the number. Subject to the provisions of this 2017A Note Supplemental Resolution, the form of the Series 2017A Notes and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401 and 1402 of the Resolution.

(c) The Series 2017A Notes 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 of the Resolution. The Series 2017A Notes shall mature on the date and in the Principal Amount, and shall bear interest payable on the Note Payment Date at the rate per annum set forth in the Series Certificate relating thereto.

**Section 203. Application of Proceeds of Series 2017A Notes.** The proceeds from the sale of the Series 2017A Notes shall be applied by the Trustee, upon receipt, in the manner set forth in Section 201 hereof and as may be further set forth in the Series Certificate.

**Section 204. Sale of Series 2017A Notes.** (a) Pursuant to and in accordance with the terms of the Resolution, as further amended and supplemented by the 2015 Supplemental Resolution, the Commission hereby determines that the Authorized Commission Representatives are authorized to sell and to award the Series 2017A Notes on behalf of the Commission to the purchaser thereof, including the power to determine, among other things, (a) the amount of the Series 2017A Notes to be issued, in an amount not-to-exceed the amount of the Series 2017A Notes that are authorized to be issued pursuant to the terms of Section 201 hereof, (b) the time and manner of sale of the Series 2017A Notes, (c) the maturity date of the Series 2017A Notes (subject to the limitations contained below and in Section 202 hereof) and the provisions pertaining to redemption, if any, of the Series 2017A Notes, (d) the rate of interest for the Series 2017A Notes, and (e) such other terms and conditions as may be necessary or related to the sale of the Series 2017A Notes, and the Authorized Commission Representatives are hereby authorized to determine the details of and execute a contract of purchase or other similar document, if any, in connection with the sale of the Series 2017A Notes (the "Purchase Contract"). The Authorized Commission Representatives are hereby authorized to award the Series 2017A Notes to the purchaser or purchasers thereof. Such award shall be evidenced by the execution of a Purchase Contract and a Series Certificate.

(b) The Purchase Contract, if any, and the Series Certificate shall determine the terms and conditions relating to the sale of the Series 2017A Notes, including the maturity date for the Series 2017A Notes, the rate of interest to be borne by the Series 2017A Notes and the Underwriter's discount, if any, that is payable to the Underwriter in connection with the sale of the Series 2017A Notes; provided, however, that without the further authorization of the Commission, the final maturity date for the Series 2017A Notes shall be not later than one year from the Date of Issue, the rate of interest (or the net interest rate in the event that the Series 2017A Notes are issued as fixed interest rate obligations) or the initial rate of interest (in the event the Series 2017A Notes bear interest at a variable rate of interest), as the case may be, to be borne by the Series 2017A Notes shall not exceed four percent (4.00%) per annum, and the Underwriter's discount for the Series 2017A Notes shall not exceed \$2.50 per \$1,000 principal amount of the Series 2017A Notes. The Purchase Contract and the Series Certificate shall contain such other terms and conditions as shall be deemed necessary in connection with the sale of the Series 2017A Notes.

(c) Any Authorized Commission Representative is also authorized to accept terms and conditions relating to the Series 2017A Notes required as a condition to the issuance thereof and to make such necessary changes in this 2017A Note Supplemental Resolution to reflect such terms and conditions as such Authorized Commission Representative deems necessary and appropriate with the advice of Bond Counsel and to set forth such provisions in the Series Certificate.

(d) The sale and award of the Series 2017A Notes by the Authorized Commission Representatives shall be evidenced by the execution of the Purchase Contract and the Series Certificate as of the date of the sale and award of the Series 2017A Notes, and 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 the Series 2017A Notes.

(e) The Commission's Bond Counsel and Financial Advisor and the Underwriter are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2017A Notes. 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 2017A Notes, the Series 2016B Notes and the Series 2016 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.

(f) The Chairman or the Vice Chairman of the Commission is each hereby authorized to execute the final Official Statement and such officers, including the Chairman or the Vice Chairman, the Executive Director, the Secretary, the Treasurer and any other Authorized Commission Representative, shall execute any closing documents which are required to be executed in connection with the delivery of the Series 2017A Notes. Any actions which are not determined by this 2017A Note Supplemental Resolution or any other resolution of the Commission duly adopted prior to the authentication and delivery of the Series 2017A Notes shall be determined by an Authorized Commission Representative.

(g) The Chairman, Vice Chairman, Secretary 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 this 2017A Note Supplemental Resolution, the Leases (as further amended by the Fifth Amendments to the Leases), the Preliminary Official Statement, the Official Statement and the Purchase Contract and for the authorization, sale and issuance of the Series 2017A Notes. 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 205. Amendments to Leases.** (a) The Fifth Amendment to Improvement Lease, substantially in the form set forth on the draft on file with the Commission's Executive Director and General Counsel, together with such changes as may be required for such amendment to be effective in the opinion of General Counsel, is hereby approved. An Authorized Commission Representative is hereby authorized to execute the same on behalf of the Commission and the Secretary is hereby directed to seal and attest this document. Upon due execution by the Commission and the County, Exhibit A and Exhibit B of the Improvement Lease Agreement are hereby deleted in their entirety and replaced by Exhibit A and Exhibit B attached to the Fifth Amendment to Improvement Lease, and all references in the Improvement Lease Agreement to Exhibit A or Exhibit B shall be references to Exhibit A or Exhibit B, respectively, attached to the Fifth Amendment to Improvement Lease.

(b) The Fifth Amendment to Equipment Lease, substantially in the form set forth on the draft on file with the Commission's Executive Director and General Counsel, together with such changes as may be required for such amendment to be effective in the opinion of General Counsel, is hereby approved. An Authorized Commission Representative is hereby authorized to execute the same on behalf of the Commission and the Secretary is hereby directed to seal and attest this document. Upon due execution by the Commission and the County, Exhibit A of the Equipment Lease Agreement is hereby deleted in its entirety and replaced by Exhibit A attached to the Fifth Amendment to Equipment Lease, and all references in the Equipment Lease Agreement to Exhibit A shall be references to Exhibit A attached to the Fifth Amendment to Equipment Lease.

### ARTICLE III

#### MISCELLANEOUS

**Section 301. Supplemental Resolutions; Amendment of 2017A Note Supplemental Resolution.** At any time or from time to time, a Supplemental Resolution of the Commission may be adopted for the purpose of further supplementing or amending the Resolution or amending or supplementing this 2017A Note Supplemental Resolution, in each case upon the terms and conditions set forth in Article XI of the Resolution. Notwithstanding the foregoing, the authorization of the issuance and sale of any of the Series 2017A Notes may be modified or rescinded at any time prior to the issuance or sale thereof by resolution duly adopted by the Commission.

**Section 302. Severability of Invalid Provisions.** If any one or more of the provisions, covenants or agreements in this 2017A Note Supplemental Resolution on the part of the Commission or any fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements shall be deemed separable from the remaining provisions, covenants and agreements and shall in no way affect the validity of the other provisions of this 2017A Note Supplemental Resolution or of the Series 2017A Notes.

**Section 303. Successors and Assigns.** Whenever in this 2017A Note Supplemental Resolution the Commission is named or referred to, it shall, and shall be deemed to, include its successors and assigns, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Commission contained in this 2017A Note Supplemental Resolution shall bind and inure to the benefit of such successors and assigns and of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Commission or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this 2017A Note Supplemental Resolution.

**Section 304. No Recourse on Series 2017A Notes.** No recourse shall be had for the payment of the principal or redemption price of or interest on the Series 2017A Notes or for any claim based thereon or on the Resolution or this 2017A Note Supplemental Resolution against any member, commissioner or other officer of the Commission or any person executing the Series 2017A Notes. The Series 2017A Notes are not and shall not be in any way a debt or liability of the State or of any political subdivision thereof (other than the Commission, to the limited extent set forth in the Resolution and this 2017A Note

Supplemental Resolution, and the County, to the extent set forth in the Leases (as further amended by the Fifth Amendments to the Leases)), and do not and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof (other than the Commission, to the limited extent set forth in the Resolution and this 2017A Note Supplemental Resolution, and the County, to the extent set forth in the Leases (as further amended by the Fifth Amendment to the Lease Agreements)), either legal, moral or otherwise. The Commission has no taxing power.

**Section 305. Incorporation of Resolution by Reference.** All other provisions of the Resolution, as heretofore amended and supplemented, are incorporated by this reference, as if the same were set forth in full herein, and such provisions shall remain in full force and effect.

**Section 306. 2017A Note Supplemental Resolution to Constitute a Contract; Governing Law.** This 2017A Note Supplemental Resolution shall be deemed to be a contract made under the laws of the State, and for all purposes shall be construed in accordance with the laws of the State.

**Section 307. Effective Date.** In accordance with the terms of Section 1101 of the Resolution, this 2017A Note Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy of this 2017A Note Supplemental Resolution, certified by an Authorized Commission Representative.

**RECORDED VOTE**

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
John B. Comegno II	x			
James D. Fattorini	x			
Troy E. Singleton	x			

The foregoing is a true copy of a resolution adopted by the governing body of the Burlington County Bridge Commission on March 17, 2017.



Kathleen M. Wiseman, Secretary

03/17/2017

Date

[SEAL]

**Resolution No. 2014-40**

**RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION  
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION LEASE REVENUE  
BONDS (GOVERNMENTAL LEASING PROGRAM), SERIES 2013, Consisting of  
County Guaranteed Lease Revenue Refunding Bonds and Lease Revenue Bonds or Notes**

**Adopted June 18, 2013**

**Amended and Restated May 13, 2014**



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AUTHORIZATION AND ISSUANCE OF SERIES 2014 A-4  
BONDS AND REFUNDING OF THE PRIOR 2005 BONDS

**RESOLUTION OF THE BURLINGTON COUNTY BRIDGE  
COMMISSION AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION LEASE REVENUE BONDS  
(GOVERNMENTAL LEASING PROGRAM), SERIES 2013**

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:

**2002 Bond Resolution** shall mean that certain resolution of the Commission entitled Resolution of The Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2002 Governmental Leasing Program), Series 2002" adopted on June 12, 2002, (as the same may be amended and supplemented from time to time).

**2003 Bond Resolution** shall mean that certain resolution of the Commission entitled Resolution of The Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2003 Governmental Leasing Program), Series 2003" adopted on April 22, 2003, (as the same may be amended and supplemented from time to time).

**2004 Bond Resolution** shall mean that certain resolution of the Commission entitled Resolution of The Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2004 Governmental Leasing Program), Series 2004" adopted on May 18, 2004 (as the same may be amended and supplemented from time to time).

**2005 Bond Resolution** shall mean that certain resolution of the Commission entitled Resolution of The Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2005 Governmental Leasing Program), Series 2005" adopted on June 21, 2005, (as the same may be amended and supplemented from time to time).

**2013 Governmental Leasing Program** shall mean, collectively, the Equipment acquired and installed or to be acquired and installed on behalf of the Participants and the Improvements constructed and reconstructed or to be constructed and reconstructed on behalf of the Participants with the proceeds of the Series B Bonds.

**2013 Refunding Program** shall mean the refunding of Prior Bonds in accordance with Articles 15 through 18 hereof.

**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 Participant to the Commission as "Additional Rent" under each Lease.

**Amended Leases** means, collectively, amendments of the Prior Leases entered into by and between the Commission and each Prior Participant to effectuate the purposes of the 2013 Refunding Program as authorized in Articles 15 through 18 hereof.

**Authorized Commission Representative** shall mean the Chairman, Vice Chairman, Treasurer or Executive Director of the Commission, 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 Participant Representative** shall mean any person or persons authorized to act on behalf of the Participant by a written certificate which, in the case of a Municipal Participant, 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 Participant, such certificate shall be signed by the Chairman of the Fire District, which forms of certificates are set forth as Exhibit E 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 each Participant approving and authorizing the execution and delivery of each Lease or Amended Lease, as applicable, and which, in such case of a Municipal Participant, shall be an ordinance and, in the case of the County and a Fire District Participant, shall be a resolution pledging the full faith and credit of the Participant 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 each Participant and payable by each Participant on each Lease Payment Date and, with respect to the Series 2013 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 2013 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 2013 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 2013 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 2013 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, the County Guaranty Agreement and each Lease, 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 each Lease 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 each Lease, 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 Participant and, where applicable, allocated to each Participant on a pro rata basis with all other Participants which are parties to the 2013 Governmental Leasing Program in relation to the amount of Bonds Outstanding in any Bond Year, all as set forth in each Lease.

**Continuing Disclosure Agreement** shall mean that certain Continuing Disclosure Agreement between the Participant 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 or of 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 Guaranty** shall mean the County's unconditional guaranty of the punctual payment of the principal and interest when due on the Bonds adopted or to be adopted pursuant to the Act and, specifically, with respect to the Series A Bonds, as approved by resolution of the Board of Chosen Freeholders of the County, as the same may be amended from time to time.

**County Guaranty Costs** shall mean all direct and indirect costs and expenses of the County incurred with respect to its County Guaranty as defined in the County Guaranty Agreement, including amounts paid by the County pursuant to Sections 508 and 708 hereof, together with interest on such amounts at an interest rate equal to the County's cost of obtaining funds required to make such payments (including, but not limited to, lost earnings on the investment of available funds used to make such payment) or the net interest cost of such Series of Bonds, whichever is higher, as shall be determined by the County, reasonable attorneys' fees and other costs arising out of the required payment or expenses for the collection, enforcement and repayment pursuant to the County Guaranty, together with interest accrued on such sum until the time of repayment to the County, but shall not include those costs and expenses incurred by the County in connection with curing its own default under each Lease.

**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 2013 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, acquired or refinanced with the proceeds of the Series 2013 Bonds, including any item of capital equipment substituted or added pursuant to Section 8.1(b) of the Equipment Lease and described in Exhibit F annexed thereto.

**Equipment Lease** shall mean individually and **Equipment Leases** shall mean collectively, with respect to the Series B Bonds, that certain Lease and Agreement or Agreements, as applicable, by and between the Commission and the Participant or Participants, as applicable, and approved by 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.

**Escrow Agreement** means the Escrow Deposit Agreement dated as of the date of issuance of the Series A Bonds between the Commission and the Escrow Agent named therein.

**Escrow Fund** means the escrow fund established under the Escrow Agreement.

**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 Participant 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.

**Guaranty Agreement** or **County Guaranty Agreement** shall mean the County Guaranty Reimbursement Agreement entered into by and among the County, the Commission and the Trustee wherein the County has irrevocably and unconditionally guaranteed the punctual payment of the principal of and interest on the Series A Bonds setting forth the terms and conditions of the County Guaranty with respect to the Series A Bonds, as amended and supplemented.

**Improvements** shall mean the infrastructure improvements and facilities described in Exhibit C annexed to the Improvements Lease constructed, reconstructed or refinanced with the proceeds of the Series B Bonds.

**Improvements Lease** shall mean individually and **Improvements Leases** shall mean collectively, with respect to the Series B Bonds, that certain Lease and Agreement or Agreements, as applicable, by and between the Commission and the Participant or Participants, as applicable, and approved by 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 2013 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 Participants.

**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 Participant 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 2013 Bonds, such dates as shall be established in the Lease, 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 Participant on the next succeeding Business Day.

**Lease Term** shall mean the period during which the Lease is 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 B Bond sold as a note with an annual payment of interest and a bullet maturity, which shall not be secured by the County Guaranty.

**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.

**Participant** or **Participants** shall mean each Participant, including the County, or collectively, all of the Participants, including the County, which have executed Leases with the Commission for the purposes of acquiring the Equipment or constructing the Improvements with the proceeds of the Series B Bonds, all of which are situated in the County of Burlington, New Jersey.

**Participant 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 each Participant into which moneys, Revenues, Proceeds, Bond proceeds and investment earnings, as applicable, allocable to each Participant, shall be deposited pursuant to Article V hereof.

**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.

**Prior Bond Resolutions** shall mean the 2002 Bond Resolution, the 2003 Bond Resolution, the 2004 Bond Resolution and the 2005 Bond Resolution.

**Prior Bonds** shall mean the bonds identified on Exhibit A hereto and generally consisting of all or a portion of:

- a \$318,000 portion of the Commission's Lease Revenue Bonds, Series 2002 maturing on August 15 in the years 2013 through 2017 and callable on May 31, 2013; and
- a \$3,225,000 portion of the Commission's Lease Revenue Bonds, Series 2003 maturing on August 15 in the years 2014 through 2023 and callable on August 15, 2013; and
- a \$5,650,000 portion of the Commission's Lease Revenue Bonds, Series 2004 maturing on September 15 in the years 2015 through 2024; and
- a \$2,505,000 portion of the Commission's Lease Revenue Bonds, Series 2005 maturing on September 15 in the years 2017 through 2025;

each as the same may be amended or modified in the Series Certificate.

**Prior Equipment Lease** shall mean individually and **Prior Equipment Leases** shall mean collectively, with respect to the Series A Bonds, the 2002 Equipment Lease between the Commission and the County; the 2002 Equipment Lease between the Commission and the Township of Riverside; the 2003 Equipment Lease between the Commission and the County; the 2003 Equipment Lease between the Commission and the Township of Mansfield; the 2004 Equipment Lease between the Commission and the County, the 2004 Equipment Lease between the Commission and the Township of Cinnaminson; the 2004 Equipment Lease between the Commission and the Delran Fire District, the 2004 Equipment Lease between the Commission and the Township of Pemberton; the 2005 Equipment Lease between the Commission and the County; and the 2005 Equipment Lease between the Commission and the Township of Pemberton.

**Prior Improvements Lease** shall mean individually and **Prior Improvements Leases** shall mean collectively, with respect to the Series A Bonds, the 2002 Improvements Lease between the Commission and the County; the 2002 Improvements Lease between the Commission and the Township of Riverside; the 2003 Improvements Lease between the Commission and the County; the 2003 Improvements Lease between the Commission and the

Township of Mansfield; the 2004 Improvements Lease between the Commission and the County, the 2004 Improvements Lease between the Commission and the Township of Cinnaminson; the 2004 Improvements Lease between the Commission and the Delran Fire District, the 2004 Improvements Lease between the Commission and the Township of Pemberton; and the 2005 Improvements Lease between the Commission and the Township of Pemberton.

**Prior Leases** shall mean collectively, the Prior Equipment Leases and the Prior Improvement Leases.

**Prior Participant** shall mean individually and **Prior Participants** shall mean collectively the counter parties to the Commission on each Prior Lease.

**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 2013 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 Participant 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 Participant 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 2013 Bonds, the fifteenth (15th) day of the month next preceding the month in which any Interest Payment Date occurs (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 respective Leases or First Amendment to the Lease with the Participant 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 Lease, (ii) as to the Series A Bonds only, any payments made by the County to the Commission on behalf of any Participant pursuant to the County Guaranty, the County Guaranty Agreement and Sections 508 and 708 hereof, and (iii) 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 Participant 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 2013 Bonds** shall mean the General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013, authenticated and delivered upon original issuance pursuant to Section 203 hereof and consisting of County Guaranteed Lease Revenue Refunding Bonds and Lease Revenue Bonds or Notes.

**Series A Bonds** shall mean the County Guaranteed Lease Revenue Refunding Bonds issued to refund the Prior Bonds.

**Series B Bonds** shall mean the Lease Revenue Bonds or Notes issued to finance the Equipment and Improvements set forth in Exhibit B and C respectively.

**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 Participant Representative pursuant to Section 8.1 of the Equipment Lease annexed as Exhibit F 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 2013 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.

**Section 104. Bond Resolution to Constitute Supplemental Resolutions for Prior Bond Resolutions.** Pursuant to section 205 of each of the Prior Bond Resolutions, this Resolution shall act as Supplemental Bond Resolution and the Series A bonds shall be considered a "Refunding Bond" in accordance with the terms of the Prior Bond Resolutions.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

**Section 201. Authorization of Bonds.** 1. The Commission does hereby determine to undertake the 2013 Refunding Program and to acquire, construct and install or cause to be acquired, constructed and installed the 2013 Governmental Leasing Program pursuant to and in accordance with the Act.

2. (a) In accordance with the Act and pursuant to the provisions of this Bond Resolution, there is hereby authorized to be undertaken the 2013 Refunding Program. Bonds of the Commission to be designated as "County-Guaranteed Lease Revenue Bonds (Governmental Leasing Program), Series 2013A". 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. All Series A Bonds issued hereunder shall be issued as County-Guaranteed obligations. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

(b) 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 2013 Governmental Leasing Program, Bonds of the Commission to be designated as "Lease Revenue Bonds (Governmental Leasing Program), Series 2013B". 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. No Series B Bonds or Refunding Bonds issued hereunder shall be issued as County-Guaranteed obligations. 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 "County-Guaranteed Lease Revenue Bonds (Governmental Leasing Program), Series 2013A" or Lease Revenue Bonds (Governmental Leasing Program), Series 2013B", as appropriate, 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 County Guaranty, as applicable thereunder, 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 Participant 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 each of the Participants;

(e) As to the Series A Bonds, only, a certified copy of the ordinance of the County authorizing the County Guaranty along with duly certified copies of the authorization proceedings, related thereto and a fully executed copy of the County Guaranty Agreement;

(f) Duly certified copies of the Participant's Authorizing Instrument approving and authorizing the execution of the Lease along with duly certified copies of the authorization proceedings related thereto;

(g) 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 each Participant 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 1402 or 1403 as applicable with respect to the Series B Bonds and as set forth in Articles 15 through 18 as applicable to the Series A Bonds, with such variations, omissions and insertions as are required or permitted by this Bond Resolution;

(h) 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;

(i) 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;

(j) As to the Series A Bonds, an opinion of counsel to the County (dated the date the Bonds of such Series are initially issued) to the effect that (i) the County Guaranty has been duly and lawfully adopted by the County, is in full force and effect and is valid and binding obligation of the County enforceable in accordance with its terms; and (ii) the County has the power and is obligated to levy ad valorem taxes upon all the taxable property within the County for the purpose of making payments under the County Guaranty, without limitation as to rate and amount; provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy ("Creditors' Rights Limitations");

(k) 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 Participants 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;



(l) In the case of the Series 2013 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

(m) 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.

(n) As to the Series A Bonds, such other items required to be delivered to the Trustee pursuant to Section 205 of the Prior Bond Resolutions.

2. Prior to the authorization and delivery of the Series A Bonds, provision shall have been made for the guaranty by the County of the timely payment of the principal of and interest on such Bonds as set forth in the County Guaranty. The County Guaranty shall be printed on each of the Series A Bond certificates and shall be in substantially the form set forth in Section 1403 hereof and shall be duly executed and attested by the manual or facsimile signature of the Director of the Board of Chosen Freeholders of the County.

3. 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 2013 Bond.** 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 \$73,000,000, consisting of the not to exceed \$13,000,000 in "County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Project), Series 2013A and not to exceed \$60,000,000 in Lease Revenue Bonds (Governmental Leasing Project), Series 2013B.

(b) (1.) The Series A Bonds shall be issued to (i) finance the Costs of the 2013 Refunding Program for the Participants, (ii) make the required deposit of interest accrued on the Series 2013 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 2013 Bonds.

(2) The Series B Bonds shall be issued to (i) finance the Costs of the 2013 Governmental Leasing Program for the Participants, (ii) make the required deposit of interest accrued on the Series 2013 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 2013 Bonds.

(c) The Series 2013 Bonds shall be issued in fully registered form in Authorized Denominations. Unless the Commission shall otherwise direct the Bond Registrar,

the Series 2013 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 2013 Bonds, the Trustee's certificate of authentication and the County Guaranty, if applicable, shall be substantially in the form set forth in Sections 1401, 1402 and 1403, respectively, hereof.

(d) The proceeds of the Series 2013 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 2013 Bonds from their dated date to the date of their delivery to the initial purchasers thereof, if any, shall be deposited in the applicable Participant 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 2013 Bonds shall be allocated to each Participant and each such amount shall be deposited in each Participant Account in the Project Fund, which fund is created and established pursuant to Section 502 hereof.

2. The Series 2013 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 2013 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 2013 Bonds shall not exceed \$73,000,000 (inclusive of original issue discount) and consisting of the not to exceed \$13,000,000 in "County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Project), Series 2013A and not to exceed \$60,000,000 in Lease Revenue Bonds (Governmental Leasing Project), Series 2013B, (ii) the final maturity date shall not be later than December 31, 2033, (iii) the true interest cost of the Series 2013 Bonds shall not exceed six and twenty-five one hundredths percent (6.25%), (iv) the underwriter's discount for the Series 2013 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 2013 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2013 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 2013 Bonds shall be as set forth in the Series Certificate awarding such Series 2013 Bonds to the initial purchasers thereof.

3. The principal or Redemption Price, if applicable, of the Series 2013 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 2013 Bonds. The principal or Redemption Price, as applicable, of all Series 2013 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 2013 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 2013 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 2013 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 2013 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 2013 Bonds. Any Authorized Commission Representative is hereby authorized to award the Series 2013 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 2013 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 2013 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 2013 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 2013 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 2013 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 Treasurer, 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 2013 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 2013 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 2013 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 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 2013 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 participant, indirect DTC participant, 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 participant or indirect DTC participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede, of any notice with respect to such Bonds, or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede, of any amount with respect to the principal of, redemption premium, if any, or interest on such Bonds. The 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. A certified copy of the resolution authorizing the County Guaranty for such Series of Refunding Bonds along with duly certified copies of the authorization proceedings related thereto and a fully executed copy of a guaranty agreement of the County consenting to the issuance of such Series of Refunding Bonds and confirming and setting forth the terms and conditions under which such Bonds will be entitled to the benefits of the County Guaranty for such Series of Refunding Bonds;

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

C. If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due 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;

D. Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of those Bonds, if any, to be redeemed or the principal amount of those Bonds, if any, to be paid at maturity, together with accrued interest on such Bonds to the redemption or maturity date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account 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

E. Executed copies of amendments to the Lease with each Participant certified to by an Authorized Commission Representative and an Authorized Participant Representative and acknowledged and accepted by the County as being in full force and effect or an opinion of Bond Counsel to the effect that amendment to the Lease with each Participant is not necessary, which amendments shall evidence that all Lease Payments derived from all Participants 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.

4. Upon the defeasance of the Bonds being refunded, the refunded Bonds shall no longer be entitled to the benefit of the County Guaranty and such County Guaranty shall be released and extinguished thereon.

## 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. The Series A Bonds are additionally secured by the County Guaranty for such Series 2013 Bonds.

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

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

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

5. 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 each Participant as Additional Rent under the Lease, which payment shall be allocated to each Participant on a pro rata basis in accordance with the amounts contained in Exhibit A attached to the Equipment Lease and Exhibit B attached to the Improvement Lease.

**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. The Series A Bonds are additionally secured by the County Guaranty for such Series A Bonds which unconditionally guarantees the timely payment of principal of and interest on the Series A Bonds.

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 Participants under the Leases and Amended Leases and covenants and directs payment of all such amounts directly to the Trustee for the benefit of the Bondholders. The Commission additionally covenants that all moneys paid by the County pursuant to the County Guaranty and the Guaranty Agreement will be paid directly to the Trustee for deposit in accordance with Section 506 hereof.

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 Participant Accounts to be established therein, to be held by the Trustee,
- (2) Revenue Fund which shall include Participant 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 Participant Accounts to be established therein, to be held by the Trustee,

(5) Debt Service Fund which shall include Participant 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 Participant Account established in the Project Fund for each Participant (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 Participant in accordance with Section 203(d) hereof, (ii) any Proceeds received with respect to (A) any Item of Equipment upon the election by the Participant to pursue Option A pursuant to Section 5.4(a) of the Equipment Lease, or (B) any Project upon the election by the Participant 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 Participant by the Commission from any other source, unless required to be otherwise applied in accordance with this Bond Resolution.

(b) All amounts in each Participant 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 and County Guaranty Costs, if any, pursuant to Sections 503(2)(e) and 503(3)(e) of this Bond Resolution, and (iii) to the extent not otherwise utilized, moneys in the Participant Account in the Project Fund shall be transferred to the Participant 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 Participant Equipment Lease, the Trustee shall make payments from the Participant 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 D to the Equipment Lease, signed by an Authorized Participant 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 respective Participant Account with respect to the Equipment Lease in the Project Fund and has not been the basis of any previous withdrawal; and (ii) an Acceptance



Certificate described in subparagraph (c) hereof. 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 Participant exceeds the amount therefor specified in Exhibit B or Exhibit F, as applicable, to the Equipment Lease, the Trustee shall make payments from the respective Participant 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 D to the Equipment Lease, signed by an Authorized Participant 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 F, as applicable, to the Equipment Lease as the Cost of the Item(s) of Equipment, (F) the amount of money the Participant has forwarded to the Trustee on behalf of the Commission for deposit in the Participant's Participant 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 respective Participant Account in the Project Fund and has not been the basis of any previous withdrawal; (ii) a bank or certified check payable to the respective Participant Account in the Project Fund in the amount necessary to fund the balance of such Cost; and (iii) 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. Any such moneys deposited by the Participant 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 of each Participant shall be evidenced by Acceptance Certificate(s) for each Item of Equipment of an Authorized Participant 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 Participant

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 Participant 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 Participant and Commission for deposit in the Participant's Participant 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 respective Participant Account with respect to the Equipment Lease in the Project Fund, moneys in an amount equal to the Participant'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 respective Participant 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 Participant pursuant to Section 2.6 of the Equipment Lease shall be paid to the Trustee for deposit in the respective Participant 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 Participant) 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 Participant Representative delivered to the Trustee, shall be transferred by the Trustee to the respective Participant Account in the Proceeds Fund and applied as a credit toward the Participant's Basic Rent obligations on the next succeeding Lease Payment Date, in accordance with Section 507(4) herein.

(g) Bond proceeds transferred from a Participant Account with respect to an Equipment Lease in the Project Fund to a Participant 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 Participant as set forth in a certificate of an Authorized Commission Representative filed with the Trustee. The Lease Payment due from each such Participant 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 Participant Account in the Project Fund which are to be transferred to a Participant 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 Participant during such Bond Year, shall be deposited in the Participant Account in the Proceeds Fund and shall be paid over to the Participant Account in the Debt Service Fund on each Lease Payment Date and applied to the payment of Debt Service attributable to such Participant 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 Participant Improvements Lease, the Trustee shall make payments from the Participant 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 Participant 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 Participant and are proper charges against such Participant Account in the Project Fund, are proper Costs of the Project for which such Participant Account was established and such Costs have not been previously paid, (F) that the Participant 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 Participant, 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 Participant 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 Participant 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 Participant Representative, attached to such requisition, certifying that such Authorized Participant Representative has made reasonable investigations and that, to the best of his or her knowledge, each such obligation has been properly incurred by the Participant, 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 Participant Representative stating that such lands, easements, rights or interests are being acquired by the Participant and are necessary or useful and convenient for the construction or acquisition of the applicable Project, (ii) an opinion of counsel to the Participant stating that the Participant has the power to acquire such lands, easements, rights or interest, and that the Participant will have, upon the payment therefor, such right, title and interest as is or will be sufficient to provide the Participant 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 Participant.

(d) At the time of substantial completion of the Project, the Participant shall file a Certificate of an Authorized Participant 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 respective Participant 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 Participant 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 Participant 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 Participant Account in the Project Fund, in excess of the amount stated in the Certificate, in accordance with the directions of the Participant and the Commission for deposit in the Participant's Participant 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 respective Participant Account with respect to the Improvements Lease in the Project Fund, money in an amount equal to Participant'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 respective Participant 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 Participant pursuant to Sections 4.4 and 6.4 of the Improvements Lease shall be paid to the Trustee for deposit in the respective Participant 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 Participant) 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 Participant Representative delivered to the Trustee, shall be transferred by the Trustee to the respective Participant Account in the Proceeds Fund and applied as a credit toward the Participant's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with Section 507(4) herein.

(g) Bond proceeds transferred from a Participant Account with respect to an Improvements Lease in the Project Fund to a Participant 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 Participant as set forth in a certificate of an Authorized Commission Representative filed with the Trustee. The Lease Payment due from each such Participant 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 Participant Account in the Project Fund which are to be transferred to a Participant 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 Participant during such Bond Year, shall be deposited in the Participant Account in the Proceeds Fund and shall be paid over to the Participant Account in the Debt Service Fund on each Lease Payment Date and applied to the payment of Debt Service attributable to such Participant 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 respective Participant Accounts 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 each Participant, the amount of such payment being in accordance with Exhibit A (or Exhibit R, if applicable) attached to the Equipment Lease or Exhibit B to the Improvements Lease, shall be applied to each Participant Account in the Debt Service Fund in accordance with Section 508 hereof; and

(b) Moneys paid by the County on behalf of a Participant pursuant to the County Guaranty in accordance with Section 508 hereof shall be applied immediately to the applicable Participant Account in the Debt Service Fund upon the written direction of the Commission such that the balance in the Debt Service Fund shall equal the Debt Service Requirement on such Series of Bonds for the next respective succeeding Interest Payment Date and Principal Installment Date, as applicable, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be included in the balance in said Debt Service Fund the amount, if any, set aside in said Fund from the proceeds of such Series of Bonds to be applied in accordance with this Bond Resolution to the payment of interest accrued and unpaid and to accrue on such Series of Bonds to the next Interest Payment Date as set forth in an order of the Commission to the Trustee; provided, however, that so long as there shall be held in the Debt Service Fund amounts sufficient and available in each Participant Account which, in the aggregate, are sufficient to pay in full all Outstanding Bonds of a particular Series in accordance with their terms (including principal thereof and interest thereon) no payment shall be required by the County and no transfer shall be required to be made from the Revenue Fund to the Debt Service Fund.

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 Participant 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 each Participant. The Trustee may rely conclusively upon Commission requests for Additional Rent under the Lease 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 each Participant's allocable share of 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, County Guaranty Costs, if applicable, 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 - Participant Account(s).** 1. There shall be established a Participant Account for each Participant in the Proceeds Fund. Upon an election by the Participant 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 respective Participant 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 respective Participant Account in the Proceeds Fund as set forth in a certificate of an Authorized Commission Representative. Proceeds on deposit in the respective Participant 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 Participant on each Lease Payment Date for the payment of the Debt Service on the Bonds allocated to such Participant by the transfer of such Proceeds to the respective Participant 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 respective Participant Account in the Proceeds Fund.

2. To the extent moneys in the respective Participant Account in the Debt Service Fund are sufficient to satisfy the amount of Basic Rent payments due and owing by the respective Participant for such Bond Year, any Proceeds which remain in the respective Participant Account in the Proceeds Fund shall be transferred thereafter into the respective Participant Account in the Debt Service Fund on each Lease Payment Date for the payment of Debt Service on the Bonds allocated to such Participant 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 Participant in any Bond Year. Any such Proceeds in the respective Participant 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 Participant (net of expenses incurred by the Commission) shall be deposited in the Participant Account for such Participant in the Proceeds Fund and shall be applied by the Trustee in the following order: first, to the payment of the Participant's Basic Rent obligation under the Equipment Lease and second, pursuant to Section 709 hereof, to reimburse the County for County Guaranty Costs, if any. Such amounts shall be requisitioned by the County in accordance with the procedures outlined in Section 506(2) hereof. Amounts remaining in respective Participant 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 Participant 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 respective Participant Account in the Project Fund to the respective Participant Account in the Proceeds Fund and applied as a credit toward the Participant'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 Participant Accounts established within such Funds which shall be allocated and paid to the respective Participant by the Trustee in accordance with Section 603(2) of this Bond Resolution, shall be transferred to the respective Participant Accounts 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 Participant 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 Participant 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 Participant 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(I)(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 each Participant Account in the Debt Service Fund. The Trustee shall determine (A) whether the amounts on deposit in each Participant 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, Participant 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 Participant whose Participant 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 Participant 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 Participant 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) Any late Basic Rent payments received by the Trustee subsequent to an Interest Payment Date and Principal Installment Date, as applicable, which were due and owing by the Participant and subsequent to the time the County has made a payment with respect thereto and has incurred County Guaranty Costs, shall be paid to the County, to the extent the County has made payment thereof to the Trustee in accordance with this Section and Sections 708 and 709 hereof. Notwithstanding the above, the County shall have the option of determining whether such late Basic Rent payment shall be applied as a credit toward the subsequent Basic Rent payments of such defaulting Participant on the next succeeding Interest Payment Date and principal Installment Date, as applicable. The County shall direct the Trustee in writing as to the application of a late Basic Rent payment hereunder and under Sections 709 and 709 hereof.

(d) 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. All moneys paid by the County on behalf of any Participant pursuant to the County Guaranty shall be immediately deposited in the applicable Participant Account in the Debt Service Fund, which moneys shall be applied to the payment of Debt Service on the Bonds on such Interest Payment Date and Principal Installment Date, as applicable.

3. 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 each Participant Account in the Debt Service Fund representing accrued interest on the proceeds of each Series of Bonds allocated to each Participant 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 each Participant 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, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts in any Fund under this Bond Resolution to be used to reimburse the County for County Guaranty Costs and for purposes specified hereunder; 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 Participants to deposit such amounts in the Rebate Fund according to their respective obligations, 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 such amounts on deposit in the Rebate Fund are not sufficient to meet the rebate requirement, amounts shall be immediately paid by the Participants according to their respective obligations, 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 Participants to fulfill its respective obligations with respect to the calculation and 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.

**Section 511. Moneys Remaining in Funds and Accounts; Reimbursement of County.** Upon the final maturity or earlier redemption of any Series of Bonds issued hereunder, any moneys remaining in the Funds and Accounts held under this Bond Resolution shall be paid to the County by the Trustee free and clear of the lien and pledge of this Bond Resolution to the extent required to reimburse the County for County Guaranty Costs and further, after such payment has been made to the County, to the extent any moneys remain in such Funds and Accounts and the Fiduciaries have unreimbursed expenses, such moneys shall be paid to each such Fiduciary by the Trustee, free and clear of the lien and pledge of this Bond Resolution to the extent required to reimburse such Fiduciary for such expenses and, thereafter, the balance therein shall be paid and shall belong to the Commission free and clear of the lien and pledge of this Bond Resolution.

## 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, the Participants and, as applicable, 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 Participant 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 Participant 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 Participant Account established within such Funds shall be held for the benefit of the Participants in such Funds and allocated to the respective Participants and shall be paid into the respective Participant Accounts 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 each Participant and the Commission in writing of such application of such interest to each Participant 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 PARTICIPANTS

**Section 701. Terms and Conditions for Lease.** (a) In connection with the Series A Bonds, the Commission shall enter into the Amended Leases with the respective Prior Participants.

(b) In connection with the Series B Bonds, the Commission shall lease the Equipment and the Improvements to the Participants and shall enter into Leases with each of the Participants, 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 and Amended Leases shall be substantially in the forms set forth as Exhibits A, B, C and D 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 with each of the Participants and the closing on each Series of Bonds, the Commission and the Trustee shall have received the following documents from the Participants:

(i) an opinion of counsel or bond counsel for each of the Participants (as approved by Bond Counsel to the Commission) to the effect that the Lease or Amended Lease, as applicable, was duly authorized by such Participant and is a valid and binding obligation of such Participant;

(ii) counterparts of each Lease, executed by each of the Participants;

(iii) copies of the Authorizing Instruments adopted by the governing body of each of the Participants authorizing the execution and delivery of the Lease or Amended Lease, as applicable, and related applicable matters, certified by an Authorized Participant Representative or the Clerk or Secretary of the Participant;

(iv) evidence satisfactory to Bond Counsel to the Commission that the Basic Rent and Additional Rent payments under the Lease or Amended Lease, as applicable, assuming the Basic Rent and Additional Rent attributable to the Leases are timely paid by the Participants, are sufficient to pay Debt Service on each Series of Bonds, Commission Administrative Expenses and all costs of the 2013 Governmental 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 Lease or Amended Lease, as applicable, 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, the Treasurer of the County and the nonpaying Participant of the Trustee's failure to receive a Basic Rent payment from such nonpaying Participant and of any other event of default under the Lease known to the Trustee pursuant to Section 508 hereof.

Notwithstanding the above, the failure of the Trustee to receive any Basic Rent payment from any Participant 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.

In the event of a default in the payment of Basic Rent due and owing to the Commission by any Participant under the Leases, the County shall be unconditionally obligated to pay such sum of money due and owing by such Participant to the Trustee pursuant to the County Guaranty and the Guaranty Agreement so as not to cause an Event of Default under Sections 901(i) or (ii) hereof and an acceleration of any Series of Bonds.

**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 and the County in the enforcement of all terms and conditions of the Leases with the Participants, 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 Participants 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, the County 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 and the County) from settling a default under the Leases on such terms as the Trustee shall determine to be in the best interests of the Commission, the County and the Holders.

2. The Trustee, the Commission and the Treasurer of the County, or its designee, shall receive from each Participant, on an annual basis as long as the County Guaranty is in effect and any Debt Service on the Bonds attributable to each Participant remains unpaid, within five (5) Business Days after the adoption of a temporary appropriation and/or the filing of an annual budget as introduced by the Participant, a certificate of the chief financial officer of the Participant stating that the temporary appropriation and/or annual budget contains a line item which represents an amount due under the Leases for all Rental Payments due from the Participant during the Participant's Fiscal Year (as used herein, the "Budget Certificate"). Such Budget Certificate shall have attached a copy of the page of the temporary appropriation and/or budget on which the line item appears. The Trustee, the Commission and the Treasurer of the County, or its designee, shall also receive from each Participant, within five (5) Business Days thereof, notice of any revisions to such line item or the transfer of any moneys out of such line item. In the event such Budget Certificate is not received by the Trustee sixty (60) days

following the beginning of the Participant's Fiscal Year, the Trustee shall promptly notify the Commission and the Treasurer of the County, or its designee, of such event(s) and the Commission and the County shall take immediate action to cause all Lease Payments to be timely paid by the Participant.

**Section 706. Termination of Leases.** Upon the payment in full by the Participants 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 Participants in a file pertaining to each Participant, 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 Participants. 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.

**Section 708. County Guaranty.** 1. The Lease or Amended Lease, as applicable, shall provide that each Participant shall pay on each Lease Payment Date during the Bond Year, Basic Rent which, together with other moneys on deposit in the respective Participant Account in the Debt Service Fund, will equal the Debt Service Requirement on the Bonds attributable to such Participant on the next succeeding Interest Payment Date and Principal Installment Date, as applicable, under each Lease during each Bond Year. Each Basic Rent payment due under each Lease shall be on deposit in the Revenue Fund not later than the Lease Payment Date.

2. Not later than 3:00 p.m. of the second Business Day after any Lease Payment Date, the Trustee shall determine (i) whether the amounts on deposit in each Participant Account in the Debt Service Fund are sufficient in the aggregate 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 (ii) which Participant, if any, has not made a Basic Rent payment or portion thereof. In the event such amounts are insufficient to meet such Debt Service Requirement the Trustee shall, in writing, notify the Commission, the Treasurer of the County, or its designee, and the nonpaying Participant of such deficiency no later than 3:00 p.m. of the second Business Day after any Lease Payment Date, which notice shall be in conformance with the provisions of paragraph 3 hereof and shall demand such Basic Rent payment from such Participant with directions to make such Basic Rent payment not later than fifteen (15) days before any Interest Payment Date and Principal Installment Date, as applicable. The County shall acknowledge receipt of any such notice from the Trustee within two (2) Business Days after receipt thereof.

3. In accordance with Section 508 hereof, in the event a Participant has failed to make a payment of Basic Rent on any Lease Payment Date so that the total amount of Basic Rent payments so received by the Trustee and on deposit in each of the Participant Accounts in the

Debt Service Fund, together with other moneys on deposit in the Debt Service Fund, is insufficient to meet the Debt Service Requirement on a Series of Bonds due on the next ensuing Interest Payment Date and Principal Installment Date, as applicable, the Trustee shall notify the Commission and the Treasurer of the County, or its designee, in writing of such deficiency not later than 3:00 p.m. of the second Business Day after any Lease Payment Date, which notification shall specify the amount of the Interest Payment and Principal Installment due and payable and the amount of such deficiency owed by the nonpaying Participant, which amount shall be due and payable by the County to the Trustee not later than two (2) Business Days prior to the Interest Payment Date and Principal Installment Date, as applicable, on such Series of Bonds, unless the deficiency shall have been satisfied by the defaulting Participant no later than fifteen (15) days prior to the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The County shall acknowledge receipt of any such notice within two (2) Business Days after receipt thereof. Notwithstanding the above, failure of the Trustee to give the notices required under Sections 704 and 705 hereof, or any defect in the notice to the County shall not relieve the County of its obligations under the County Guaranty.

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

**Section 709. Subrogation of County to Bondholders.** The County shall, to the extent it incurs County Guaranty Costs pursuant to the County Guaranty and the Guaranty Agreement to cure a deficiency in Debt Service resulting from a deficiency in Basic Rent payments, which payments are to be applied to the payment of principal of and interest on a Series of Bonds, become subrogated to the rights of Bondholders. In the case of subrogation for payments applied to the payment of Debt Service on a Series of Bonds on any Interest Payment Date or Principal Installment Date, as applicable, the Trustee shall upon and in accordance with written direction of the County note on its records the County's rights as subrogee on the Funds and Accounts of the Commission held under this Bond Resolution. Notwithstanding anything in this Bond Resolution to the contrary, the Trustee shall make payment of delinquent Basic Rent payments received from the defaulting Participant directly to the County to the extent the County is a subrogee with respect thereto, unless otherwise directed by the County pursuant to Section 508 hereof.

## 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 and the payment of County Guaranty Costs by the County. 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 and Amended 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 each Lease. The Commission shall provide the Trustee and the County with a certified copy of all requests for Additional Rent under each Lease. The Commission shall enforce or cause to be enforced all of the provisions of each Lease. Subject to the provisions of Section 815 hereof, the Commission will not consent or agree to or permit any amendment, change or modification to any Lease or Amended Lease, as applicable, which would adversely affect the rights or security of Bondholders or the County. Copies of each Lease, 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 each Lease, 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 Participants 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 Participants (for the benefit of the Commission) to maintain such insurance as shall be required by the respective provisions of each Lease.

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 respective Participants 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 each Lease, and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Bondholders and the County. No Lease or Amended Lease, as applicable 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 each Lease or extend the time of payment thereof. Each Lease 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 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 F 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 each Lease, a copy thereof certified by an Authorized Commission Representative shall be filed with the Trustee and the County.

**Section 816. Termination of the Lease.** In the event any Participant is unable to pay when due the Rental Payments to be paid under each Lease, or is unable to observe and perform any covenant or agreement on its part to be observed or performed under each Lease, the Commission upon written request of the County and 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 Lease or Amended Lease, as applicable and exercise remedies pursuant to Article 7 of the Equipment Lease and Article 8 of the Improvements Lease, respectively.



**Section 817. Enforcement of County Guaranty Agreement.** The Commission shall undertake all actions necessary so as to entitle it to collect payments from the County, if necessary, in accordance with the terms of the Act and the terms of the County Guaranty Agreement. The Commission shall not release or modify the obligations of the County under the terms of the County Guaranty Agreement in any manner which would adversely affect the County's obligation to make payments thereunder. Any modification of the County Guaranty Agreement shall be accompanied by a written consent of the County and an opinion of counsel to the County, or its successor, which states that such modification is in compliance with the provisions of this Section. Any such modification shall be delivered to the Trustee prior to its effective date. The Commission shall take all reasonable measures which are permitted by the Act or otherwise by law, to enforce prompt payment to the Trustee of all amounts due under the County Guaranty Agreement, and shall at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and protect the rights, benefits and privileges of the Commission and the Bondholders under or with respect to the County Guaranty Agreements.

**Section 818. Enforcement by the County Against Participants.** In the event a default under any Lease or Amended Lease, as applicable, by any Participant has occurred for the nonpayment of Basic Rent on any Lease Payment Date and the County has made payments to the Trustee on behalf of the nonpaying Participant pursuant to the County Guaranty to cure any deficiency in the Debt Service Requirement due and owing on the Bonds on the next ensuing Interest Payment Date and Principal Installment Date, as applicable, then the County shall be entitled but not required, under each Lease and this Bond Resolution to enforce its rights against any nonpaying Participant, in addition to the rights of the Trustee and the Commission hereunder and under each Lease, including, but not limited to, the County's right to pursue independently any action, suit or proceeding at law or in equity to collect from any nonpaying Participant all amounts sufficient to reimburse the County for County Guaranty Costs under each Lease, the Guaranty Agreement and this Bond Resolution.

**Section 819. 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, this Bond Resolution and the County Guaranty Agreement, including the exercise of its remedies thereunder.

**Section 820. 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 each Lease, 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 821. Continuing Disclosure.** Pursuant to each Lease, the Participants have 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 S.E.C. Rule 15c2-12. Notwithstanding any other provision of this Bond Resolution, failure of the Participants 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 Participants 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.

**Section 822. Changes in Agreement.** In order to ensure that the County's obligation to make payment under the County Guaranty is limited to the extent to which the Commission and the Participants are obligated under the Bond Resolution, it is agreed that:

(a) Where there is a compromise, settlement, release or termination of any obligations of the Commission or the Participants which are guaranteed under the County Guaranty, such action shall have the same result with respect to the obligations of the County;

(b) Where there is a waiver of the payment of any obligation of the Commission or the Participants, such payment shall also be waived with respect to the County; and

(c) Where there is a modification or amendment of the Commission or the Participants, said modification or amendment shall also apply to the County and to the limitations on liability of the county set forth in the County Guaranty Agreement.

## 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 County pursuant to the County Guaranty and Guaranty Agreement in the due and punctual payment of the principal of or interest on the Series A Bonds when such payment shall become due and payable, not less than two (2) Business Days before any Interest Payment Date and Principal Installment Date, as applicable, upon notice by the Trustee to the Commission and the County under the Guaranty Agreement and such default is not cured by such Interest Payment Date and Principal Installment Date, as applicable;

(iv) 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;

(v) 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

(vi) 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.

(iii) County Guaranty Costs - - to the payment of County Guaranty Costs, if any.

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 and the County 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 the County, 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 and to the County (to the extent of and pursuant to the County Guaranty and the County Guaranty Agreement) 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, the County and the Trustee shall be restored, respectively, to their former positions and rights under this Bond Resolution. No such payment over to the Commission or the County by the Trustee nor such restoration of the Commission, the County 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 any of the Participants 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 each Lease, of any Participant shall occur and be continuing, it will not exercise any of such remedies set forth in each Lease, without the written consent of the Trustee and the County, which consent shall not be unreasonably withheld; provided, however, in the event the County is in default under a Lease or Amended Lease, as applicable, the County's consent shall not be required.



## 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.

**Section 1014. Conflict Between Provisions of Bond Resolution and County Guaranty Agreement.** In the event the Trustee, in the performance of its fiduciary responsibilities, determines that there are conflicts, ambiguities or inconsistencies between the provisions of the County Guaranty Agreement and this Bond Resolution, the provisions of the County Guaranty Agreement shall control, unless the Trustee shall have received an opinion of Bond Counsel addressed to the County and the Trustee directing the Trustee to adhere to the provisions of this Bond Resolution.

## 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, the County Guaranty and the County Guaranty Agreement 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 and the County Guaranty 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 and the County Guaranty, is authorized or permitted by this Bond Resolution and the County Guaranty, 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 and the County Guaranty, 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, and, after the Fiduciaries have paid all amounts due and payable to the County for County Guaranty Costs, 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 the County Guaranty, and all covenants, agreements and obligations of the Commission to the Holders of such Bonds and the County Guaranty 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) due and owing to the County under the County Guaranty Agreement, 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 under the County Guaranty Agreement, 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) due and owing to the County under the County Guaranty Agreement, 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.

2. In the event the County pays money to the Trustee pursuant to the County Guaranty Agreement to cure a deficiency in a Participant Account in the Debt Service Fund on behalf of a nonpaying Participant and the County remains unreimbursed for the County Guaranty Costs associated with the making of such payment, then to such extent, any moneys remaining in the Funds and Accounts which are to be paid to the Commission pursuant to Section 1302(1) hereof shall be paid to the County and further, after such payment has been made to the County, to the extent any moneys are remaining in such Funds and Accounts and the Fiduciaries have unreimbursed expenses, such moneys shall be paid to each such Fiduciary by the Trustee, free and clear of the lien and pledge of this Bond Resolution to the extent required to reimburse each Fiduciary for such expenses, and if thereafter there are any unclaimed moneys remaining in the Funds and Accounts, then to the Commission.

### **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 Participants 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 1701 Route 70 East, Cherry Hill, New Jersey 08034 Attn: Corporate Trust Department, or to such other representatives or addresses as the Commission, any Participant, 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. Reserved.

Section 1402. Form of Bonds. Subject to the provisions of this Bond Resolution, the form of each Series B Bonds, if issued as Bonds shall be substantially as follows:

No. R-\_\_

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

GENERAL OBLIGATION LEASE REVENUE BOND
(GOVERNMENTAL LEASING PROGRAM), 2013 SERIES B

INTEREST RATE PER ANNUM %
DATED DATE
MATURITY DATE
DATE OF AUTHENTICATION
CUSIP NUMBER
1, 2013, 2020

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, 2013, and semiannually thereafter on the first days of and . This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of [Bank]. 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 "County-Guaranteed Lease Revenue Bonds (Governmental Leasing Program), Series 2013" (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 \_\_\_\_\_, 2013 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013" (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__	_____%
_____ 1 20__ to _____ 31, 20__	_____%
_____ 1 20__ and thereafter	_____%

If less than all of the Bonds of like maturity Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Bond Resolution.

Notice of each optional or mandatory redemption of the Bonds shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the Registered Owner hereof, in accordance with the provisions of the Bond Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the Redemption Price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption. So long as this Bond is registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., notice of redemption shall be mailed by the Trustee to DTC or its nominee, and the Trustee shall not be required to mail notices of redemption to any other person or entity.

Pursuant to the Bond Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the Bond Resolution. All bonds issued and to be issued under the Bond Resolution, including Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the Bond Resolution except as otherwise provided in or pursuant to the Bond Resolution.

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

This Bond is transferable, as provided in the Bond Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, National Association (the "Bond Registrar"), as registrar under the Bond Resolution, or its successor as Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the 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.

Reference to the Resolution, the County Guaranty, the County Guaranty Agreement and the Act is made for a description of the nature and extent of the security for the Bonds, the Pledged Property, the funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, liabilities and obligations of the Commission, the County and of the Trustee.

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, 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  
[SEAL]

By: \_\_\_\_\_  
Chairman



**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 County-Guaranty Lease Revenue Bonds (Governmental Leasing Program), Series 2013B of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond Resolution.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

**Section 1403. Form of Bonds.** Subject to the provisions of this Bond Resolution, the form of each Series B Bonds, if issued as Notes, shall be substantially as follows:

No. R-\_\_

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

**GENERAL OBLIGATION LEASE REVENUE NOTE  
(GOVERNMENTAL LEASING PROGRAM), 2013 SERIES B**

INTEREST RATE PER ANNUM _____%	DATED DATE _____	MATURITY DATE 1, _____	DATE OF AUTHENTICATION _____, 20__	CUSIP NUMBER _____
	20__			

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, 2013, and semiannually thereafter on the first days of \_\_\_\_\_ and \_\_\_\_\_. This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of [Bank]. 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 "County-Guaranteed Lease Revenue Bonds (Governmental Leasing Program), Series 2013" (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 \_\_\_\_\_, 2013 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013" (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.

Pursuant to the Bond Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the Bond Resolution. All bonds issued and to be issued under the Bond Resolution, including Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the Bond Resolution except as otherwise provided in or pursuant to the Bond Resolution.

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

This Bond is transferable, as provided in the Bond Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, National Association (the "Bond Registrar"), as registrar

under the Bond Resolution, or its successor as Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the 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.

Reference to the Resolution, and the Act is made for a description of the nature and extent of the security for the Bonds, the Pledged Property, the funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, liabilities and obligations of the Commission, the County and of the Trustee.

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, 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 County-Guaranty Lease Revenue Bonds (Governmental Leasing Program), Series 2013 of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond Resolution.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

**Section 1404. Effective Date.** This Bond Resolution shall take effect immediately upon its adoption in accordance with the Act.

## ARTICLE XV

### AUTHORIZATION AND ISSUANCE OF SERIES 2014 A-1 BONDS AND REFUNDING OF THE 2002 BONDS

**1501. Second Supplemental Resolution.** This resolution is supplemental to, and is adopted in accordance with Article II and Article XI of, a resolution adopted by the Commission on June 12, 2002 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2002 Governmental Leasing Program), Series 2002" adopted on June 12, 2002 (the "General Bond Resolution"), as supplemented by a resolution of the Commission entitled "First Supplemental Resolution Supplementing the Commission's Bond Resolution Duly Adopted June 12, 2002, as Amended and Supplemented, in Connection With The Commission's 2002 Pooled Governmental Lease Program", adopted on February 28, 2007 (the "First Supplemental Resolution") and as supplemented on May 13, 2014 by this Second Supplemental Resolution (the "Second Supplemental Resolution and together with the General Bond Resolution and the First Supplemental Resolution, the "2002 Resolution").

**1502. Definitions.** 1. Except as otherwise provided in this Second Supplemental Resolution, all terms which are defined in Section 101 of the 2002 Resolution shall have the same meanings, respectively, in this Second Supplemental Resolution as such terms are given in said Section 101 of the 2002 Resolution.

2. In this Second Supplemental Resolution:

"Bond Purchase Contract" means the Bond Purchase Contract entered into between the Commission and the underwriters relating to the purchase by the underwriters of the Series 2014A-1 Bonds.

"Bond Year" means, with respect to the Series 2014A-1 Bonds, the twelve (12) month period ending on each anniversary of the date of original issuance of the Series 2014A-1 Bonds and on the final maturity date of the Series 2014A-1 Bonds.

"Bond" or "Bonds" shall mean the Outstanding Bonds of the Commission issued pursuant to Section 201 of the 2002 Resolution, Section 201 of the First Supplemental Resolution and Section 1504 of this Second Supplemental Resolution, including the Series 2002 Bonds, the Series 2007 Bonds and the Series 2014A-1 Bonds and Refunding Bonds, if any.

“County Guaranty” means the County’s unconditional guaranty of the punctual payment of the principal of and interest on the Bonds, adopted pursuant to the Act and, specifically, with respect to the Series 2014A-1 Bonds, as approved by ordinance of the Board of Chosen Freeholders of the County duly adopted on April 10, 2013, as the same may be amended from time to time.

“Escrow Agreement” means the Escrow Deposit Agreement dated as of the date of issuance of the Series 2014A-1 Bonds between the Commission and the Escrow Agent named therein.

“Escrow Fund” means the escrow fund established under the Escrow Agreement.

“First Amendment to Leases” means, collectively, the First Amendment to the Equipment Lease and the First Amendment to the Improvement Lease, by and between the Commission and the Participant or Participants, as applicable, who will have amendments to their Basic Rent as a result of the issuance of the Series 2014A-1 Bonds and the refinancing of the Series 2003 Bonds.

“First Supplemental Resolution” means the First Supplemental Resolution adopted February 28, 2007, as it may be further amended and supplemented by the Second Supplemental Resolution and in the future.

“Guaranty Agreement” or “County Guaranty Agreement” shall mean the County Guaranty Reimbursement Agreement or Agreements entered into by and among the County, the Commission and the Trustee wherein the County has irrevocably and unconditionally guaranteed the punctual payment of the principal of and interest on the Series 2002 Bonds, the Series 2007 Bonds and the Series 2014A-1 Bonds and setting forth the terms and conditions of the County Guaranty with respect to the Series 2002 Bonds, the 2007 Bonds and the Series 2014A-1 Bonds, as amended and supplemented.

“Interest Payment Date” shall mean, with respect to the Series 2014A-1 Bonds, the dates that shall be established in the Series Certificate pertaining thereto.

“Lease Payment Date” shall mean, with respect to the Series 2014A-1 Bonds, such dates as shall be established in the Second Amendment to Leases, which dates shall not be later than the thirty (30) preceding each Interest Payment Date and Principal Installment Date, as applicable.

“Official Statement” means the Official Statement of the Commission relating to the Series 2014A-1 Bonds.

“Preliminary Official Statement” means the Preliminary Official Statement of the Commission relating to the Series 2014A-1 Bonds.



“Principal Installment Date” shall mean, with respect to the Series 2014A-1 Bonds, the dates set forth in the Series Certificate pertaining thereto on which any Principal Installment shall become due and payable by the Commission.

“Prior 2002 Bonds” means all or a portion of the County-Guaranteed Lease Revenue Bonds (2002 Governmental Leasing Program), Series 2003 maturing on and after August 15, 2014 as set forth on Exhibit A attached hereto and made a part hereof and as further set forth in the Series Certificate.

“Record Date” shall mean, with respect to the Series 2014A-1 Bonds, the fifteenth (15th) day next preceding any Interest Payment Date (whether or not a Business Day).

“Second Amendment to Leases” means, collectively, the Second Amendment to the Equipment Lease and the Second Amendment to the Improvement Lease, by and between the Commission and the Participant or Participants, as applicable, who will have amendments to their Basic Rent as a result of the issuance of the Series 2014A-2 Bonds and the refinancing of the Prior 2002 Bonds.

“Second Supplemental Resolution” means this Article 15 as amended and restated on May 13, 2014, as it may be further amended and supplemented.

“Series Certificate” means the certificate of an Authorized Commission Representative dated the date of delivery of the Series 2014A-1 Bonds upon original issuance.

“Series 2014A-1 Bonds” means the County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014, authorized by Section 1504 of this Second Supplemental Resolution.

**1503. Authority for this Second Supplemental Resolution.**

This Second Supplemental Resolution is adopted (i) pursuant to the provisions of the Act, and (ii) in accordance with Article II and Article XI of the 2002 Resolution.

**1504. Series 2014A-1 Bonds.** 1. There is hereby authorized an issue of Bonds under the 2002 Resolution which shall be designated and shall be distinguished from the Bonds of all other Series by the title, “County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A-1” and which shall be in the aggregate principal amount not to exceed \$500,000.

2. The Series 2014A-1 Bonds shall be issued for the purposes of (i) refunding all or a portion of the Prior 2002 Bonds as set forth in the Series Certificate, and (ii) paying the costs of authorization, issuance, sale and delivery of the Series 2014A-1 Bonds.

3. The Commission hereby determines that the Chairman, the Vice Chairman and the Executive Director (each an "Authorized Commission Representative") are each hereby designated and authorized to sell and to award the Series 2014A-1 Bonds on behalf of the Commission to the purchasers thereof, including the power to determine, among other things, (a) the principal amount of Series 2014A-1 Bonds to be issued, (b) the time and the manner of sale of the Series 2014A-1 Bonds, (c) the Prior 2002 Bonds or portion thereof to be refunded, (d) the dated date, the maturity dates and the Principal Installment Dates of the Series 2014A-1 Bonds and the provisions pertaining to redemptions thereof and/or Sinking Funds Installments established therefor, (e) the rate or rates of interest for the Series 2014A-1 Bonds, the Interest Payment Dates and the Lease Payment Dates, (f) the underwriters for the Series 2014A-1 Bonds, and (g) such other terms and conditions as may be necessary or related to the sale of the Series 2014A-1 Bonds; provided, however, that (i) the aggregate principal amount of the Series 2014A-1 Bonds shall not exceed the principal amount authorized by this Section 201 (inclusive of original issue discount), (ii) the final maturity date of the Series 2014A-1 Bonds shall not be later than August 15, 2022, (iii) the underwriter's discount for the Series 2014A-1 Bonds shall not exceed \$6.50 per \$1,000 principal amount thereof (inclusive of counsel fees and expenses); and (iv) the Redemption Price of any Series 2014A-1 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2014A-1 Bonds or portion thereof to be redeemed, plus accrued interest to the date of redemption.

4. The sale and award of the Series 2014A-1 Bonds by an Authorized Commission Representative shall be evidenced by the execution of a Series Certificate and such Series Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following the sale and award of the Series 2014A-1 Bonds as evidence of the terms and details of the sale of such Series 2014A-1 Bonds.

5. Any Authorized Commission Representative is hereby authorized to select a Bond Insurer, if any, for the Series 2014A-1 Bonds (provided that the Commission's financial advisor determines that the premium for the bond insurance will result in positive economic benefit and provided further such Authorized Commission Representative determines in consultation with the Commission's financial advisor that bond insurance for the Series 2014A-1 Bonds is necessary and desirable in order to market the Series 2014A-1 Bonds), to execute a commitment letter for the issuance of a Bond Insurance Policy by such Bond Insurer (or a certificate evidencing selection of the Bond Insurer), to carry out the Commission's obligations thereunder (including payment of the premium for the Bond Insurance Policy), and to accept terms and conditions relating to the Series 2014A-1 Bonds required by the Bond Insurer as a condition to issuance of the Bond Insurance Policy and to incorporate such terms and conditions in the Series Certificate, as such Authorized Commission Representative deems necessary and appropriate with the advice of Bond Counsel.

6. The Series 2014A-1 Bonds shall be dated, shall bear interest from their dated date payable on the dates and at the rates per annum, and shall mature on the dates and in each of the years and in the principal amounts as set forth in the Series Certificate.

7. TD Bank, National Association is hereby appointed Bond Registrar and Paying Agent for the Series 2014A-1 Bonds.

8. The Series 2014A-1 Bonds shall be issued in registered form in the Authorized Denominations and shall be numbered from one upward, preceded by the letter "R" prefixed to the number.

9. The proceeds, including accrued interest, if any, of the Series 2014A-1 Bonds shall be paid to the Trustee and applied simultaneously with the initial issuance and delivery of the Series 2014A-1 Bonds in accordance with an order of the Commission as follows:

(A) There shall be deposited in the Debt Service Fund, an amount, if any, equal to the interest accrued on the Series 2014A-1 Bonds to the date of initial issuance and delivery of the Series 2014A-1 Bonds;

(B) There shall be deposited in the Escrow Fund established under the Escrow Agreement, the amount necessary to effectuate the refunding and defeasance of the Prior 2002 Bonds, and

(C) The balance of the proceeds of the Series 2014A-1 Bonds shall be deposited in the Operating Fund.

10. Prior to delivery of any of the Series 2014A-1 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 this Second Supplemental 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.

**1505. Provisions Relating to the County Guaranty.** 1. So long as the Series 2014A-1 Bonds are Outstanding, the payment of principal of and interest on the Series 2014A-1 Bonds shall be unconditionally and irrevocably guaranteed by the County in accordance with the County Guaranty. The County Guaranty shall be printed on the Series 2014A-1 Bonds and shall be duly executed by the manual or facsimile signature of an authorized officer of the Board of Chosen Freeholders.

2. The Commission hereby assigns its right to receive any payments which are to be made by the County pursuant to the terms of the County Guaranty to the Trustee. Upon receipt by the Trustee of any monies by the County pursuant to the terms of the County Guaranty, the Trustee shall deposit such monies in a separate account which shall be established in the Debt Service Fund and applied to the payment of principal of and interest on the Series 2014A-1 Bonds.

**1506. Form of Series 2014A-1 Bonds and Trustee's Certificate of Authentication.** Subject to the provisions of the 2002 Resolution, the form of the Series 2014A-1 Bonds and the Trustee's Certificate of Authentication shall be of substantially the following tenor:

No. R-\_\_

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

COUNTY-GUARANTEED LEASE REVENUE REFUNDING BOND  
(GOVERNMENTAL LEASING PROGRAM), SERIES 2014A-1

INTEREST RATE PER ANNUUM _____ %	DATED DATE _____ 1, 20__	MATURITY DATE _____ 1, 20__	DATE OF AUTHENTICATION _____, 20__	CUSIP NUMBER
-------------------------------------------	--------------------------------	-----------------------------------	------------------------------------------	-----------------

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 \_\_\_\_\_. This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of TD Bank, N.A.. 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 "County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount of \$500,000 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 June 12, 2002 entitled "Resolution of the Burlington County Bridge Commission

Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2002 Governmental Leasing Program), Series 2002", as amended and supplemented (the "Resolution") and the Series Certificate (as defined in the 2002 Resolution). Copies of the 2002 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 2002 Resolution.

This Bond is a direct, limited and special obligation of the Commission payable from and secured by a lien on the Pledged Property of the Commission, as such term is defined in the 2002 Resolution, and from any other moneys pledged therefor under the 2002 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 2002 Resolution. This Bond is also an obligation which is entitled to the benefit of a guaranty of the County of Burlington, New Jersey (the "County"), authorized pursuant to an ordinance of the County duly adopted on June 12, 2002, as amended and supplemented on February 14, 2007 and April 10, 2013, as the same may be amended and supplemented (the "County Guaranty") and the Guaranty Agreement by and among the County, the Commission and the Trustee dated as of May 1, 2002, as amended and restated on May 1, 2007 and June 1, 2014 as the same may be amended and supplemented (the "Guaranty Agreement"), which County Guaranty and Guaranty Agreement secure the payment of the principal of and interest on the Bonds.

The Bonds are issued in the form of registered bonds without coupons in book-entry form only in Authorized Denomination.

As defined in the 2002 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 2002 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__	_____%
_____ 1 20__ to _____ 31, 20__	_____%
_____ 1 20__ and thereafter	_____%

If less than all of the Bonds of like maturity Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the 2002 Resolution.

Notice of each optional or mandatory redemption of the Bonds shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNER hereof, in accordance with the provisions of the 2002 Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the Redemption Price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption. So long as this Bond is registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., notice of redemption shall be mailed by the Trustee to DTC or its nominee, and the Trustee shall not be required to mail notices of redemption to any other person or entity.]

Pursuant to the 2002 Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the 2002 Resolution. All bonds issued and to be issued under the 2002 Resolution, including the Bonds and Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the 2002 Resolution except as otherwise provided in or pursuant to the 2002 Resolution.

To the extent and in the respects permitted by the 2002 Resolution, the provisions of the 2002 Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Commission in the manner and subject to the conditions and exceptions which are set forth in the 2002 Resolution. The pledge of the Pledged Property and other obligations of the Commission under the terms of the 2002 Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the 2002 Resolution.

This Bond is transferable, as provided in the 2002 Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, N.A. (the "Bond Registrar"), as registrar under the 2002 Resolution, or its successor as Bond Registrar, by the REGISTERED OWNER hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the REGISTERED OWNER or by such duly authorized attorney, together with the required signature guarantee, and thereupon the 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 2002 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.

Reference to the 2002 Resolution, the County Guaranty, the County Guaranty Agreement and the Act is made for a description of the nature and extent of the security for the Bonds, the Pledged Property, the funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, liabilities and obligations of the Commission, the County and of the Trustee.

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, AS APPLICABLE UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT, THE COUNTY, AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION OTHER THAN THE COMMISSION, AND, AS APPLICABLE UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT, THE COUNTY, 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 (OTHER THAN THE COUNTY, AS APPLICABLE, UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT) 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 2002 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 2002 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.

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 County-Guaranty Lease Revenue Refunding Bonds (Governmental Leasing Program), 2014 Series A-\_\_ of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond Resolution.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

**"GUARANTY BY THE COUNTY OF BURLINGTON, NEW JERSEY"**

The payment of the principal of and interest in each year on the within bond according to its terms is hereby fully and unconditionally guaranteed by the County of Burlington, New Jersey, for as long as this bond is outstanding under the resolution authorizing the issuance of this Bond.

IN WITNESS WHEREOF, the County of Burlington, New Jersey, has caused this Guaranty to be executed by the manual or facsimile signature of its Director of the Board of Chosen Freeholders.

County of Burlington, New Jersey

By: \_\_\_\_\_  
Director of the Board of Chosen Freeholders

[SEAL]"

**1507. Approval of Bond Purchase Contract.** The Series 2014A-1 Bonds shall be sold to the underwriters identified in the Bond Purchase Contract at the purchase price and on the terms and conditions set forth in the Bond Purchase Contract. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to approve and execute the Bond Purchase Contract, with the advice of Bond Counsel, and to

deliver it to the underwriters and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Bond Purchase Contract and to take all action contemplated to be taken by the Commission pursuant to the terms of the Bond Purchase Contract. The execution and delivery of the Bond Purchase Contract shall be deemed to constitute approval by the Commission of the final terms and conditions of the Bond Purchase Contract.

**1508. Approval of Preliminary Official Statement and Official Statement.** The Commission's Bond Counsel, financial advisor and auditor and the underwriters are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2014A-1 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 2014A-1 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.

The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the final Official Statement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Official Statement, said execution being conclusive evidence of such approval, and any amendments or supplements to the Official Statement as may be necessary or desirable in order to comply with the provisions of the Bond Purchase Contract. After execution, the officer of the Commission executing the Official Statement is hereby authorized to deliver to the underwriters an executed copy or copies of the Official Statement and any amendments or supplements thereto as required by the Bond Purchase Contract.

**1509. Continuing Disclosure.** In order to comply with Rule 15c2-12, the Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Continuing Disclosure Agreement, said execution being conclusive evidence of such approval.

**1510. Authorization of Other Officers.** The Chairman, Vice Chairman, Secretary, Executive Director 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 2002 Resolution, the First Supplemental Resolution, this Second Supplemental Resolution, the First Amendment to Leases, the Second Amendment to the Leases, the Escrow Agreement, the Preliminary Official Statement, the Official Statement and the Bond Purchase Contract and for the authorization, sale and issuance of the Series 2014A-1

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.

**1511. Election to Redeem Prior 2002 Bonds.** Pursuant to the provisions of Section 205 of the 2002 Resolution, the Commission hereby elects to redeem all or a portion of the Prior 2002 Bonds, on August 15, 2014 (the "Redemption Date"), at a Redemption Price equal to 100% of the principal amount thereof to be redeemed.

**1512. Notice of Redemption of Prior 2002 Bonds.** Pursuant to the provisions of Section 405 of the 2002 Resolution, notice of the redemption of the Prior 2002 Bonds to be redeemed shall be mailed by the Trustee, not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date, to the registered owners of the Prior 2002 Bonds, at their last addresses appearing on the registration books maintained by the Commission at the office of the Trustee.

**1513. Approval of Escrow Agreement.** The Escrow Agreement, in substantially the form submitted to this meeting and made a part of this Second Supplemental Resolution as though set forth in full herein, is hereby approved. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Escrow Agreement, said execution being conclusive evidence of such approval, and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Escrow Agreement and to take all action contemplated to be taken by the Commission pursuant to the terms of the Escrow Agreement.

**1514. Approval of Second Amendment to Leases.** The Second Amendment to Leases, in substantially the respective forms submitted to this meeting and made a part of this Second Supplemental Resolution as though set forth in full herein, are hereby approved. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Second Amendment to Leases with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Second Amendment to Leases, said execution being conclusive evidence of such approval, and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Second Amendment to Leases and to take all action contemplated to be taken by the Commission pursuant to the terms of the Second Amendment to Leases.

**1515. Resolution to Remain in Effect.** Save and except as supplemented and amended by the First Supplemental Resolution and this Second Supplemental Resolution, the 2002 Resolution shall remain in full force and effect.

**1516. Effective Date.** This Second Supplemental Resolution shall take effect upon the filing with the Trustee and the County of a copy of this Second Supplemental Resolution certified by an Authorized Commission Representative, and upon the written consent of the County.

## ARTICLE XVI

### AUTHORIZATION AND ISSUANCE OF SERIES 2014 A-2 BONDS AND REFUNDING OF THE 2003 BONDS

**1601. Second Supplemental Resolution.** This resolution is supplemental to, and is adopted in accordance with Article II and Article XI of, a resolution adopted by the Commission on April 22, 2003, entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (Governmental Leasing Program), Series 2003", as supplemented on July 12, 2011 by the First Supplemental Resolution and as supplemented on May 13, 2014 by this Second Supplemental Resolution, as it may be further amended and supplemented (the "Second Supplemental Resolution and together with the General Bond Resolution and the First Supplemental Resolution, the "2003 Resolution").

**1602. Definitions.** 1. Except as otherwise provided in this Second Supplemental Resolution, all terms which are defined in Section 101 of the 2003 Resolution shall have the same meanings, respectively, in this Second Supplemental Resolution as such terms are given in said Section 101 of the 2003 Resolution.

2. In this Second Supplemental Resolution:

"Bond Purchase Contract" means the Bond Purchase Contract entered into between the Commission and the underwriters relating to the purchase by the underwriters of the Series 2014A-2 Bonds.

"Bond Year" means, with respect to the Series 2014A-2 Bonds, the twelve (12) month period ending on each anniversary of the date of original issuance of the Series 2014A-2 Bonds and on the final maturity date of the Series 2014A-2 Bonds.

"Bond" or "Bonds" shall mean the Outstanding Bonds of the Commission issued pursuant to Section 201 of the 2003 Resolution, Section 201 of the First Supplemental Resolution and Section 1604 of this Second Supplemental Resolution, including the Series 2003 Bonds, the Series 2011 Bonds, the Series 2014A-2 Bonds and Refunding Bonds, if any.

"County Guaranty" means the County's unconditional guaranty of the punctual payment of the principal of and interest on the Bonds, adopted pursuant to the Act and, specifically, with respect to the Series 2014A-2 Bonds, as approved by ordinance of the Board of Chosen Freeholders of the County duly adopted on April 10, 2013, as the same may be amended from time to time.

“Escrow Agreement” means the Escrow Deposit Agreement dated as of the date of issuance of the Series 2014A-2 Bonds between the Commission and the Escrow Agent named therein.

“Escrow Fund” means the escrow fund established under the Escrow Agreement.

“First Amendment to Leases” means, collectively, the First Amendment to the Equipment Lease and the First Amendment to the Improvement Lease, by and between the Commission and the Participant or Participants, as applicable, who will have amendments to their Basic Rent as a result of the issuance of the Series 2011 Bonds and the refinancing of the Series 2003 Bonds.

“First Supplemental Resolution” means the First Supplemental Resolution adopted July 12, 2011, as it may be further amended and supplemented.

“Guaranty Agreement” or “County Guaranty Agreement” shall mean the County Guaranty Reimbursement Agreement or Agreements entered into by and among the County, the Commission and the Trustee wherein the County has irrevocably and unconditionally guaranteed the punctual payment of the principal of and interest on the Series 2003 Bonds, the 20011 Bonds and the Series 2014A-2 Bonds and setting forth the terms and conditions of the County Guaranty with respect to the Series 2003 Bonds, the 2011 Bonds and the Series 2014A-2 Bonds, as amended and supplemented.

“Interest Payment Date” shall mean, with respect to the Series 2014A-2 Bonds, the dates that shall be established in the Series Certificate pertaining thereto.

“Lease Payment Date” shall mean, with respect to the Series 2014A-2 Bonds, such dates as shall be established in the First Amendment to Leases, which dates shall not be later than the thirty (30) preceding each Interest Payment Date and Principal Installment Date, as applicable.

“Official Statement” means the Official Statement of the Commission relating to the Series 2014A-2 Bonds.

“Preliminary Official Statement” means the Preliminary Official Statement of the Commission relating to the Series 2014A-2 Bonds.

“Principal Installment Date” shall mean, with respect to the Series 2014A-2 Bonds, the dates set forth in the Series Certificate pertaining thereto on which any Principal Installment shall become due and payable by the Commission.

“Prior 2003 Bonds” means all or a portion of the County-Guaranteed Lease Revenue Bonds (2003 Governmental Leasing Program), Series 2003 maturing on

and after August 15, 2014 as set forth on Exhibit A attached hereto and made a part hereof and as further set forth in the Series Certificate.

“Record Date” shall mean, with respect to the Series 2014A-2 Bonds, the fifteenth (15<sup>th</sup>) day next preceding any Interest Payment Date (whether or not a Business Day).

“Second Amendment to Leases” means, collectively, the Second Amendment to the Equipment Lease and the Second Amendment to the Improvement Lease, by and between the Commission and the Participant or Participants, as applicable, who will have amendments to their Basic Rent as a result of the issuance of the Series 2014A-2 Bonds and the refinancing of the Prior 2003 Bonds.

“Second Supplemental Resolution” means this Article 16 as amended and restated on May 13, 2014, as it may be further amended and supplemented.

“Series Certificate” means the certificate of an Authorized Commission Representative dated the date of delivery of the Series 2014A-2 Bonds upon original issuance.

“Series 2014A-2 Bonds” means the County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A-2, authorized by Section 1604 of the Second Supplemental Resolution.

### **1603. Authority for the Second Supplemental Resolution.**

This Second Supplemental Resolution is adopted (i) pursuant to the provisions of the Act, and (ii) in accordance with Article II and Article XI of the 2003 Resolution.

**1604. Series 2014A-2 Bonds.** 1. There is hereby authorized an issue of Bonds under the 2003 Resolution which shall be designated and shall be distinguished from the Bonds of all other Series by the title, “County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A-2” and which shall be in the aggregate principal amount not to exceed \$3,500,000.

2. The Series 2014A-2 Bonds shall be issued for the purposes of (i) refunding all or a portion of the Prior 2003 Bonds as set forth in the Series Certificate, and (ii) paying the costs of authorization, issuance, sale and delivery of the Series 2014A-2 Bonds.

3. The Commission hereby determines that the Chairman, the Vice Chairman and the Executive Director (each an “Authorized Commission Representative”) are each hereby designated and authorized to sell and to award the Series 2014A-2 Bonds on behalf of the Commission to the purchasers thereof, including the power to determine, among other things, (a) the principal amount of Series 2014A-2 Bonds to be issued, (b) the time and the manner of sale of the Series 2014A-2 Bonds, (c) the Prior 2003 Bonds or portion thereof to be refunded, (d) the dated date, the maturity dates and the Principal Installment Dates of the Series 2014A-2 Bonds

and the provisions pertaining to redemptions thereof and/or Sinking Funds Installments established therefor, (e) the rate or rates of interest for the Series 2014A-2 Bonds, the Interest Payment Dates and the Lease Payment Dates, (f) the underwriters for the Series 2014A-2 Bonds, and (g) such other terms and conditions as may be necessary or related to the sale of the Series 2014A-2 Bonds; provided, however, that (i) the aggregate principal amount of the Series 2014A-2 Bonds shall not exceed the principal amount authorized by this Section 201 (inclusive of original issue discount), (ii) the final maturity date of the Series 2014A-2 Bonds shall not be later than August 15, 2023, (iii) the underwriter's discount for the Series 2014A-2 Bonds shall not exceed \$6.50 per \$1,000 principal amount thereof (inclusive of counsel fees and expenses); and (iv) the Redemption Price of any Series 2011 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2014A-2 Bonds or portion thereof to be redeemed, plus accrued interest to the date of redemption.

4. The sale and award of the Series 2014A-2 Bonds by an Authorized Commission Representative shall be evidenced by the execution of a Series Certificate and such Series Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following the sale and award of the Series 2014A-2 Bonds as evidence of the terms and details of the sale of such Series 2014A-2 Bonds.

5. Any Authorized Commission Representative is hereby authorized to select a Bond Insurer, if any, for the Series 2014A-2 Bonds (provided that the Commission's financial advisor determines that the premium for the bond insurance will result in positive economic benefit and provided further such Authorized Commission Representative determines in consultation with the Commission's financial advisor that bond insurance for the Series 2014A-2 Bonds is necessary and desirable in order to market the Series 2014A-2 Bonds), to execute a commitment letter for the issuance of a Bond Insurance Policy by such Bond Insurer (or a certificate evidencing selection of the Bond Insurer), to carry out the Commission's obligations thereunder (including payment of the premium for the Bond Insurance Policy), and to accept terms and conditions relating to the Series 2014A-2 Bonds required by the Bond Insurer as a condition to issuance of the Bond Insurance Policy and to incorporate such terms and conditions in the Series Certificate, as such Authorized Commission Representative deems necessary and appropriate with the advice of Bond Counsel.

6. The Series 2014A-2 Bonds shall be dated, shall bear interest from their dated date payable on the dates and at the rates per annum, and shall mature on the dates and in each of the years and in the principal amounts as set forth in the Series Certificate.

7. TD Bank, National Association is hereby appointed Bond Registrar and Paying Agent for the Series 2014A-2 Bonds.

8. The Series 2014A-2 Bonds shall be issued in registered form in the Authorized Denominations and shall be numbered from one upward, preceded by the letter "R" prefixed to the number.

9. The proceeds, including accrued interest, if any, of the Series 2014A-2 Bonds shall be paid to the Trustee and applied simultaneously with the initial issuance and delivery of the Series 2014A-2 Bonds in accordance with an order of the Commission as follows:

(A) There shall be deposited in the Debt Service Fund, an amount, if any, equal to the interest accrued on the Series 2014A-2 Bonds to the date of initial issuance and delivery of the Series 2014A-2 Bonds;

(B) There shall be deposited in the Escrow Fund established under the Escrow Agreement, the amount necessary to effectuate the refunding and defeasance of the Prior 2003 Bonds, and

(C) The balance of the proceeds of the Series 2014A-2 Bonds shall be deposited in the Operating Fund.

10. Prior to delivery of any of the Series 2014A-2 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 this Second Supplemental 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.

**1605. Provisions Relating to the County Guaranty.** 1. So long as the Series 2014A-2 Bonds are Outstanding, the payment of principal of and interest on the Series 2014A-2 Bonds shall be unconditionally and irrevocably guaranteed by the County in accordance with the County Guaranty. The County Guaranty shall be printed on the Series 2014A-2 Bonds and shall be duly executed by the manual or facsimile signature of an authorized officer of the Board of Chosen Freeholders.

2. The Commission hereby assigns its right to receive any payments which are to be made by the County pursuant to the terms of the County Guaranty to the Trustee. Upon receipt by the Trustee of any monies by the County pursuant to the terms of the County Guaranty, the Trustee shall deposit such monies in a separate account which shall be established in the Debt Service Fund and applied to the payment of principal of and interest on the Series 2014A-2 Bonds.

**1606. Form of Series 2014A-2 Bonds and Trustee's Certificate of Authentication.** Subject to the provisions of the 2003 Resolution, the form of the Series 2014A-2 Bonds and the Trustee's Certificate of Authentication shall be of substantially the following tenor:



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

**COUNTY-GUARANTEED LEASE REVENUE REFUNDING BOND  
(GOVERNMENTAL LEASING PROGRAM), SERIES 2014A-2**

INTEREST RATE PER <u>ANNUUM</u> _____ %	DATED <u>DATE</u> _____ 1, 20__	MATURITY <u>DATE</u> _____ 1, 20__	DATE OF <u>AUTHENTICATION</u> _____, 20__	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 \_\_\_\_\_. This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of TD Bank, N.A.. 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 "County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount of \$3,500,000 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 April 22, 2003 entitled "Resolution of the Burlington County Bridge Commission

Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2003 Governmental Leasing Program), Series 2003", as amended and supplemented (the "Resolution") and the Series Certificate (as defined in the 2003 Resolution). Copies of the 2003 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 2003 Resolution.

This Bond is a direct, limited and special obligation of the Commission payable from and secured by a lien on the Pledged Property of the Commission, as such term is defined in the 2003 Resolution, and from any other moneys pledged therefor under the 2003 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 2003 Resolution. This Bond is also an obligation which is entitled to the benefit of a guaranty of the County of Burlington, New Jersey (the "County"), authorized pursuant to an ordinance of the County duly adopted on April 19, 2003, as amended and supplemented (the "County Guaranty") and the Guaranty Agreement by and among the County, the Commission and the Trustee dated as of May 1, 2003, as amended and supplemented on September 20, 2011 and June 1, 2014 as the same may be further supplemented and amended (the "Guaranty Agreement"), which County Guaranty and Guaranty Agreement secure the payment of the principal of and interest on the Bonds.

The Bonds are issued in the form of registered bonds without coupons in book-entry form only in Authorized Denomination.

As defined in the 2003 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 2003 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__	_____%
_____ 1 20__ to _____ 31, 20__	_____%
_____ 1 20__ and thereafter	_____%

If less than all of the Bonds of like maturity Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the 2003 Resolution.]

Notice of each optional or mandatory redemption of the Bonds shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNER hereof, in accordance with the provisions of the 2003 Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the Redemption Price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption. So long as this Bond is registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., notice of redemption shall be mailed by the Trustee to DTC or its nominee, and the Trustee shall not be required to mail notices of redemption to any other person or entity.

Pursuant to the 2003 Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the 2003 Resolution. All bonds issued and to be issued under the 2003 Resolution, including the Bonds and Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the 2003 Resolution except as otherwise provided in or pursuant to the 2003 Resolution.

To the extent and in the respects permitted by the 2003 Resolution, the provisions of the 2003 Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Commission in the manner and subject to the conditions and exceptions which are set forth in the 2003 Resolution. The pledge of the Pledged Property and other obligations of the Commission under the terms of the 2003 Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the 2003 Resolution.

This Bond is transferable, as provided in the 2003 Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, N.A. (the "Bond Registrar"), as registrar under the 2003 Resolution, or its successor as Bond Registrar, by the REGISTERED OWNER hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the REGISTERED OWNER or by such duly authorized attorney, together with the required signature guarantee, and thereupon the 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 2003 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.

Reference to the 2003 Resolution, the County Guaranty, the County Guaranty Agreement and the Act is made for a description of the nature and extent of the security for the Bonds, the Pledged Property, the funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, liabilities and obligations of the Commission, the County and of the Trustee.

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, AS APPLICABLE UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT, THE COUNTY, AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION OTHER THAN THE COMMISSION, AND, AS APPLICABLE UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT, THE COUNTY, 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 (OTHER THAN THE COUNTY, AS APPLICABLE, UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT) 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 2003 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 2003 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.

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 County-Guaranty Lease Revenue Refunding Bonds (Governmental Leasing Program), 2014 Series A-\_\_ of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond Resolution.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

**"GUARANTY BY THE COUNTY OF BURLINGTON, NEW JERSEY"**

The payment of the principal of and interest in each year on the within bond according to its terms is hereby fully and unconditionally guaranteed by the County of Burlington, New Jersey, for as long as this bond is outstanding under the resolution authorizing the issuance of this Bond.

IN WITNESS WHEREOF, the County of Burlington, New Jersey, has caused this Guaranty to be executed by the manual or facsimile signature of its Director of the Board of Chosen Freeholders.

County of Burlington, New Jersey

By: \_\_\_\_\_  
Director of the Board of Chosen Freeholders

[SEAL]"

**1607. Approval of Bond Purchase Contract.** The Series 2014A-2 Bonds shall be sold to the underwriters identified in the Bond Purchase Contract at the purchase price and on the terms and conditions set forth in the Bond Purchase Contract. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to approve and execute the Bond Purchase Contract, with the advice of Bond Counsel, and to deliver it to the underwriters and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Bond Purchase Contract and to take all action contemplated to be taken by the Commission pursuant to the terms of the Bond Purchase Contract. The execution and delivery of the Bond Purchase Contract shall be deemed to constitute approval by the Commission of the final terms and conditions of the Bond Purchase Contract.

**1608. Approval of Preliminary Official Statement and Official Statement.** The Commission's Bond Counsel, financial advisor and auditor and the underwriters are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2014A-2 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 2014A-2 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.

The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the final Official Statement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Official Statement, said execution being conclusive evidence of such approval, and any amendments or supplements to the Official Statement as may be necessary or desirable in order to comply with the provisions of the Bond Purchase Contract. After execution, the officer of the Commission executing the Official Statement is hereby authorized to deliver to the underwriters an executed copy or copies of the Official Statement and any amendments or supplements thereto as required by the Bond Purchase Contract.

**1609. Continuing Disclosure.** In order to comply with Rule 15c2-12, the Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Continuing Disclosure Agreement, said execution being conclusive evidence of such approval.

**1610. Authorization of Other Officers.** The Chairman, Vice Chairman, Secretary, Executive Director 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 2003 Resolution, the First Supplemental Resolution, the First Amendment to Leases, this Second Supplemental Resolution, the Second Amendment to Leases, the Escrow Agreement, the Preliminary Official Statement, the Official Statement and the Bond Purchase Contract and for the authorization, sale and issuance of the Series 2014A-2 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.

**1611. Election to Redeem Prior 2003 Bonds.** Pursuant to the provisions of Section 205 of the 2003 Resolution, the Commission hereby elects to redeem all or a portion of the Prior 2003 Bonds, on August 15, 2014 (the "Redemption Date"), at a Redemption Price equal to 100% of the principal amount thereof to be redeemed.

**1612. Notice of Redemption of Prior 2003 Bonds.** Pursuant to the provisions of Section 405 of the 2003 Resolution, notice of the redemption of the Prior 2003 Bonds to be redeemed shall be mailed by the Trustee, not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date, to the registered owners of the Prior 2003 Bonds, at their last addresses appearing on the registration books maintained by the Commission at the office of the Trustee.

**1613. Approval of Escrow Agreement.** The Escrow Agreement, in substantially the form submitted to this meeting and made a part of this Second Supplemental Resolution as



though set forth in full herein, is hereby approved. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Escrow Agreement, said execution being conclusive evidence of such approval, and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Escrow Agreement and to take all action contemplated to be taken by the Commission pursuant to the terms of the Escrow Agreement.

**1614. Approval of Second Amendment to Leases.** The Second Amendment to Leases, in substantially the respective forms submitted to this meeting and made a part of the Second Supplemental Resolution as though set forth in full herein, are hereby approved. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Second Amendment to Leases with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Second Amendment to Leases, said execution being conclusive evidence of such approval, and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Second Amendment to Leases and to take all action contemplated to be taken by the Commission pursuant to the terms of the Second Amendment to Leases.

**1615. Resolution to Remain in Effect.** Save and except as supplemented and amended by the First Supplemental Resolution and this Second Supplemental Resolution, the 2003 Resolution shall remain in full force and effect.

**1616. Effective Date.** This Second Supplemental Resolution shall take effect upon the filing with the Trustee and the County of a copy of the Second Supplemental Resolution certified by an Authorized Commission Representative, and upon the written consent of the County.

## ARTICLE XVII

### AUTHORIZATION AND ISSUANCE OF SERIES 2014 A-3 BONDS AND REFUNDING OF THE PRIOR 2004 BONDS

**1701. First Supplemental Resolution.** This resolution is supplemental to, and is adopted in accordance with Article II and Article XI of, a resolution adopted by the Commission Resolution of The Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2004 Governmental Leasing Program), Series 2004" adopted on May 18, 2004, as supplemented on May 13, 2014 by this First Supplemental Resolution (as the same may be amended and supplemented from time to time) (the "2004 Resolution").

**1702. Definitions.** 1. Except as otherwise provided in this First Supplemental Resolution, all terms which are defined in Section 101 of the 2004 Resolution shall have the same meanings, respectively, in this First Supplemental Resolution as such terms are given in said Section 101 of the 2004 Resolution.

2. In this First Supplemental Resolution:

“Bond Purchase Contract” means the Bond Purchase Contract entered into between the Commission and the underwriters relating to the purchase by the underwriters of the Series 2014A-3 Bonds.

“Bond Year” means, with respect to the Series 2014A-3 Bonds, the twelve (12) month period ending on each anniversary of the date of original issuance of the Series 2014A-3 Bonds and on the final maturity date of the Series 2014A-3 Bonds.

“Bond” or “Bonds” shall mean the Outstanding Bonds of the Commission issued pursuant to Section 201 of the 2004 Resolution and Section 1704 of this First Supplemental Resolution, including the Series 2004 Bonds, the Series 2014A-3 Bonds and Refunding Bonds, if any.

“County Guaranty” means the County’s unconditional guaranty of the punctual payment of the principal of and interest on the Bonds, adopted pursuant to the Act and, specifically, with respect to the Series 2014A-3 Bonds, as approved by ordinance of the Board of Chosen Freeholders of the County duly adopted on April 10, 2013, as the same may be amended from time to time.

“Escrow Agreement” means the Escrow Deposit Agreement dated as of the date of issuance of the Series 2014A-3 Bonds between the Commission and the Escrow Agent named therein.

“Escrow Fund” means the escrow fund established under the Escrow Agreement.

“First Amendment to Leases” means, collectively, the First Amendment to the Equipment Lease and the First Amendment to the Improvement Lease, by and between the Commission and the Participant or Participants, as applicable, who will have amendments to their Basic Rent as a result of the issuance of the Series 2014A-3 Bonds and the refinancing of the Series 2004 Bonds.

“First Supplemental Resolution” means this First Supplemental Resolution adopted May 13, 2014, as it may be further amended and supplemented.

“Guaranty Agreement” or “County Guaranty Agreement” shall mean the County Guaranty Reimbursement Agreement or Agreements entered into by and among the County, the Commission and the Trustee wherein the County has irrevocably and unconditionally guaranteed the punctual payment of the principal of and interest on the Series 2004 Bonds and the Series 2014A-3 Bonds and setting forth the terms and conditions of the County Guaranty with respect to the Series 2004 Bonds and the Series 2014A-3 Bonds, as amended and supplemented.

“Interest Payment Date” shall mean, with respect to the Series 2014A-3 Bonds, the dates that shall be established in the Series Certificate pertaining thereto.

“Lease Payment Date” shall mean, with respect to the Series 2014A-3 Bonds, such dates as shall be established in the First Amendment to Leases, which dates shall not be later than the thirty (30) preceding each Interest Payment Date and Principal Installment Date, as applicable.

“Official Statement” means the Official Statement of the Commission relating to the Series 2014A-3 Bonds.

“Preliminary Official Statement” means the Preliminary Official Statement of the Commission relating to the Series 2014A-3 Bonds.

“Principal Installment Date” shall mean, with respect to the Series 2014A-3 Bonds, the dates set forth in the Series Certificate pertaining thereto on which any Principal Installment shall become due and payable by the Commission.

“Prior 2004 Bonds” means all or a portion of the County-Guaranteed Lease Revenue Bonds (2004 Governmental Leasing Program), Series 2004 maturing on and after August 15, 2014 as set forth on Exhibit A attached hereto and made a part hereof and as further set forth in the Series Certificate.

“Record Date” shall mean, with respect to the Series 2014A-3 Bonds, the fifteenth (15th) day next preceding any Interest Payment Date (whether or not a Business Day).

“Series Certificate” means the certificate of an Authorized Commission Representative dated the date of delivery of the Series 2014A-3 Bonds upon original issuance.

“Series 2014A-3 Bonds” means the County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A-3, authorized by Section 1704 of this First Supplemental Resolution.

### **1703. Authority for this First Supplemental Resolution.**

This First Supplemental Resolution is adopted (i) pursuant to the provisions of the Act, and (ii) in accordance with Article II and Article XI of the 2004 Resolution.

**1704. Series 2014A-3 Bonds.** 1. There is hereby authorized an issue of Bonds under the 2004 Resolution which shall be designated and shall be distinguished from the Bonds of all other Series by the title, “County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A-3” and which shall be in the aggregate principal amount not to exceed \$6,000,000.

2. The Series 2014A-3 Bonds shall be issued for the purposes of (i) refunding all or a portion of the Prior 2004 Bonds as set forth in the Series Certificate, and (ii) paying the costs of authorization, issuance, sale and delivery of the Series 2014A-3 Bonds.

3. The Commission hereby determines that the Chairman, the Vice Chairman and the Executive Director (each an "Authorized Commission Representative") are each hereby designated and authorized to sell and to award the Series 2014A-3 Bonds on behalf of the Commission to the purchasers thereof, including the power to determine, among other things, (a) the principal amount of Series 2014A-3 Bonds to be issued, (b) the time and the manner of sale of the Series 2014A-3 Bonds, (c) the Prior 2004 Bonds or portion thereof to be refunded, (d) the dated date, the maturity dates and the Principal Installment Dates of the Series 2014A-3 Bonds and the provisions pertaining to redemptions thereof and/or Sinking Funds Installments established therefor, (e) the rate or rates of interest for the Series 2014A-3 Bonds, the Interest Payment Dates and the Lease Payment Dates, (f) the underwriters for the Series 2014A-3 Bonds, and (g) such other terms and conditions as may be necessary or related to the sale of the Series 2014A-3 Bonds; provided, however, that (i) the aggregate principal amount of the Series 2014A-3 Bonds shall not exceed the principal amount authorized by this Section 201 (inclusive of original issue discount), (ii) the final maturity date of the Series 2014A-3 Bonds shall not be later than August 15, 2024, (iii) the underwriter's discount for the Series 2014A-3 Bonds shall not exceed \$6.50 per \$1,000 principal amount thereof (inclusive of counsel fees and expenses); and (iv) the Redemption Price of any Series 2011 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2014A-3 Bonds or portion thereof to be redeemed, plus accrued interest to the date of redemption.

4. The sale and award of the Series 2014A-3 Bonds by an Authorized Commission Representative shall be evidenced by the execution of a Series Certificate and such Series Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following the sale and award of the Series 2014A-3 Bonds as evidence of the terms and details of the sale of such Series 2014A-3 Bonds.

5. Any Authorized Commission Representative is hereby authorized to select a Bond Insurer, if any, for the Series 2014A-3 Bonds (provided that the Commission's financial advisor determines that the premium for the bond insurance will result in positive economic benefit and provided further such Authorized Commission Representative determines in consultation with the Commission's financial advisor that bond insurance for the Series 2014A-3 Bonds is necessary and desirable in order to market the Series 2014A-3 Bonds), to execute a commitment letter for the issuance of a Bond Insurance Policy by such Bond Insurer (or a certificate evidencing selection of the Bond Insurer), to carry out the Commission's obligations thereunder (including payment of the premium for the Bond Insurance Policy), and to accept terms and conditions relating to the Series 2014A-3 Bonds required by the Bond Insurer as a condition to issuance of the Bond Insurance Policy and to incorporate such terms and conditions in the Series Certificate, as such Authorized Commission Representative deems necessary and appropriate with the advice of Bond Counsel.

6. The Series 2014A-3 Bonds shall be dated, shall bear interest from their dated date payable on the dates and at the rates per annum, and shall mature on the dates and in each of the years and in the principal amounts as set forth in the Series Certificate.

7. TD Bank, National Association is hereby appointed Bond Registrar and Paying Agent for the Series 2014A-3 Bonds.

8. The Series 2014A-3 Bonds shall be issued in registered form in the Authorized Denominations and shall be numbered from one upward, preceded by the letter "R" prefixed to the number.

9. The proceeds, including accrued interest, if any, of the Series 2014A-3 Bonds shall be paid to the Trustee and applied simultaneously with the initial issuance and delivery of the Series 2014A-3 Bonds in accordance with an order of the Commission as follows:

(A) There shall be deposited in the Debt Service Fund, an amount, if any, equal to the interest accrued on the Series 2014A-3 Bonds to the date of initial issuance and delivery of the Series 2014A-3 Bonds;

(B) There shall be deposited in the Escrow Fund established under the Escrow Agreement, the amount necessary to effectuate the refunding and defeasance of the Prior 2004 Bonds, and

(C) The balance of the proceeds of the Series 2014A-3 Bonds shall be deposited in the Operating Fund.

10. Prior to delivery of any of the Series 2014A-3 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 this First Supplemental 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.

**1705. Provisions Relating to the County Guaranty.** 1. So long as the Series 2014A-3 Bonds are Outstanding, the payment of principal of and interest on the Series 2014A-3 Bonds shall be unconditionally and irrevocably guaranteed by the County in accordance with the County Guaranty. The County Guaranty shall be printed on the Series 2014A-3 Bonds and shall be duly executed by the manual or facsimile signature of an authorized officer of the Board of Chosen Freeholders.

2. The Commission hereby assigns its right to receive any payments which are to be made by the County pursuant to the terms of the County Guaranty to the Trustee. Upon receipt by the Trustee of any monies by the County pursuant to the terms of the County Guaranty, the Trustee shall deposit such monies in a separate account which shall be established in the Debt

Service Fund and applied to the payment of principal of and interest on the Series 2014A-3 Bonds.

1706. **Form of Series 2014A-3 Bonds and Trustee's Certificate of Authentication.** Subject to the provisions of the 2004 Resolution, the form of the Series 2014A-3 Bonds and the Trustee's Certificate of Authentication shall be of substantially the following tenor:

No. R-\_\_

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

**COUNTY-GUARANTEED LEASE REVENUE REFUNDING BOND  
(GOVERNMENTAL LEASING PROGRAM), SERIES 2014A-3**

<u>INTEREST RATE PER ANNUM</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>DATE OF AUTHENTICATION</u>	<u>CUSIP NUMBER</u>
_____%	_____	1, _____1, 20__	_____, 20__	
	20__			

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 \_\_\_\_\_. This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of TD Bank, N.A.. 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 "County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount of \$6,000,000 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 May 18, 2004 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2004 Governmental Leasing Program), Series 2004", as amended and supplemented (the "Resolution") and the Series Certificate (as defined in the 2004 Resolution). Copies of the 2004 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 2004 Resolution.

This Bond is a direct, limited and special obligation of the Commission payable from and secured by a lien on the Pledged Property of the Commission, as such term is defined in the 2004 Resolution, and from any other moneys pledged therefor under the 2004 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 2004 Resolution. This Bond is also an obligation which is entitled to the benefit of a guaranty of the County of Burlington, New Jersey (the "County"), authorized pursuant to an ordinance of the County duly adopted on May 26, 2004, as amended and supplemented (the "County Guaranty") and the Guaranty Agreement by and among the County, the Commission and the Trustee dated as of July 15, 2004, as amended and supplemented (the "Guaranty Agreement"), which County Guaranty and Guaranty Agreement secure the payment of the principal of and interest on the Bonds.

The Bonds are issued in the form of registered bonds without coupons in book-entry form only in Authorized Denomination.

As defined in the 2004 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 2004 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__	_____%
_____ 1 20__ to _____ 31, 20__	_____%
_____ 1 20__ and thereafter	_____%

If less than all of the Bonds of like maturity Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the 2004 Resolution.

Notice of each optional or mandatory redemption of the Bonds shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNER hereof, in accordance with the provisions of the 2004 Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the Redemption Price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption. So long as this Bond is registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., notice of redemption shall be mailed by the Trustee to DTC or its nominee, and the Trustee shall not be required to mail notices of redemption to any other person or entity.]

Pursuant to the 2004 Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the 2004 Resolution. All bonds issued and to be issued under the 2004 Resolution, including the Bonds and Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the 2004 Resolution except as otherwise provided in or pursuant to the 2004 Resolution.

To the extent and in the respects permitted by the 2004 Resolution, the provisions of the 2004 Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Commission in the manner and subject to the conditions and exceptions which are set forth in the 2004 Resolution. The pledge of the Pledged Property and other obligations of the Commission under the terms of the 2004 Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the 2004 Resolution.

This Bond is transferable, as provided in the 2004 Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, N.A. (the "Bond Registrar"), as registrar under the 2004 Resolution, or its successor as Bond Registrar, by the REGISTERED OWNER hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the REGISTERED OWNER or by such duly authorized attorney, together with the required



signature guarantee, and thereupon the 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 2004 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.

Reference to the 2004 Resolution, the County Guaranty, the County Guaranty Agreement and the Act is made for a description of the nature and extent of the security for the Bonds, the Pledged Property, the funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, liabilities and obligations of the Commission, the County and of the Trustee.

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, AS APPLICABLE UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT, THE COUNTY, AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION OTHER THAN THE COMMISSION, AND, AS APPLICABLE UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT, THE COUNTY, 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 (OTHER THAN THE COUNTY, AS APPLICABLE, UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT) 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 2004 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 2004 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.

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 County-Guaranty Lease Revenue Refunding Bonds (Governmental Leasing Program), 2014 Series A-\_\_ of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond Resolution.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

**"GUARANTY BY THE COUNTY OF BURLINGTON, NEW JERSEY"**

The payment of the principal of and interest in each year on the within bond according to its terms is hereby fully and unconditionally guaranteed by the County of Burlington, New Jersey, for as long as this bond is outstanding under the resolution authorizing the issuance of this Bond.

IN WITNESS WHEREOF, the County of Burlington, New Jersey, has caused this Guaranty to be executed by the manual or facsimile signature of its Director of the Board of Chosen Freeholders.

\_\_\_\_\_  
County of Burlington, New Jersey

By: \_\_\_\_\_  
Director of the Board of Chosen Freeholders

[SEAL]"

**1707. Approval of Bond Purchase Contract.** The Series 2014A-3 Bonds shall be sold to the underwriters identified in the Bond Purchase Contract at the purchase price and on the terms and conditions set forth in the Bond Purchase Contract. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to approve and execute the Bond Purchase Contract, with the advice of Bond Counsel, and to

deliver it to the underwriters and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Bond Purchase Contract and to take all action contemplated to be taken by the Commission pursuant to the terms of the Bond Purchase Contract. The execution and delivery of the Bond Purchase Contract shall be deemed to constitute approval by the Commission of the final terms and conditions of the Bond Purchase Contract.

**1708. Approval of Preliminary Official Statement and Official Statement.** The Commission's Bond Counsel, financial advisor and auditor and the underwriters are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2014A-3 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 2014A-3 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.

The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the final Official Statement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Official Statement, said execution being conclusive evidence of such approval, and any amendments or supplements to the Official Statement as may be necessary or desirable in order to comply with the provisions of the Bond Purchase Contract. After execution, the officer of the Commission executing the Official Statement is hereby authorized to deliver to the underwriters an executed copy or copies of the Official Statement and any amendments or supplements thereto as required by the Bond Purchase Contract.

**1709. Continuing Disclosure.** In order to comply with Rule 15c2-12, the Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Continuing Disclosure Agreement, said execution being conclusive evidence of such approval.

**1710. Authorization of Other Officers.** The Chairman, Vice Chairman, Secretary, Executive Director 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 2004 Resolution, this First Supplemental resolution, the First Amendment to Leases, Escrow Agreement, the Preliminary Official Statement, the Official Statement and the Bond Purchase Contract and for the authorization, sale and issuance of the Series 2014A-3 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.

**1711. Election to Redeem Prior 2004 Bonds.** Pursuant to the provisions of Section 205 of the 2004 Resolution, the Commission hereby elects to redeem all or a portion of the Prior 2004 Bonds, on September 15, 2014 (the "Redemption Date"), at a Redemption Price equal to 100% of the principal amount thereof to be redeemed.

**1712. Notice of Redemption of Prior 2004 Bonds.** Pursuant to the provisions of Section 405 of the 2004 Resolution, notice of the redemption of the Prior 2004 Bonds to be redeemed shall be mailed by the Trustee, not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date, to the registered owners of the Prior 2004 Bonds, at their last addresses appearing on the registration books maintained by the Commission at the office of the Trustee.

**1713. Approval of Escrow Agreement.** The Escrow Agreement, in substantially the form submitted to this meeting and made a part of this First Supplemental Resolution as though set forth in full herein, is hereby approved. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Escrow Agreement, said execution being conclusive evidence of such approval, and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Escrow Agreement and to take all action contemplated to be taken by the Commission pursuant to the terms of the Escrow Agreement.

**1714. Approval of First Amendment to Leases.** The First Amendment to Leases, in substantially the respective forms submitted to this meeting and made a part of this First Supplemental Resolution as though set forth in full herein, are hereby approved. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the First Amendment to Leases with such changes, insertions and omissions as may be approved by the officer of the Commission executing the First Amendment to Leases, said execution being conclusive evidence of such approval, and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the First Amendment to Leases and to take all action contemplated to be taken by the Commission pursuant to the terms of the First Amendment to Leases.

**1715. Resolution to Remain in Effect.** Save and except as supplemented and amended by this First Supplemental Resolution, the 2004 Resolution shall remain in full force and effect.

**1716. Effective Date.** This First Supplemental Resolution shall take effect upon the filing with the Trustee and the County of a copy of this First Supplemental Resolution certified by an Authorized Commission Representative, and upon the written consent of the County.

## ARTICLE XVIII

### AUTHORIZATION AND ISSUANCE OF SERIES 2014 A-4 BONDS AND REFUNDING OF THE PRIOR 2005 BONDS

**1801. First Supplemental Resolution.** This resolution is supplemental to, and is adopted in accordance with Article II and Article XI of, a resolution adopted by the Commission Resolution of The Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2005 Governmental Leasing Program), Series 2005" adopted on May 18, 2005, as supplemented on May 13, 2014 by this First Supplemental Resolution (as the same may be amended and supplemented from time to time) (the "2005 Resolution").

**1802. Definitions.** 1. Except as otherwise provided in this First Supplemental Resolution, all terms which are defined in Section 101 of the 2005 Resolution shall have the same meanings, respectively, in this First Supplemental Resolution as such terms are given in said Section 101 of the 2005 Resolution.

2. In this First Supplemental Resolution:

"Bond Purchase Contract" means the Bond Purchase Contract entered into between the Commission and the underwriters relating to the purchase by the underwriters of the Series 2014A-4 Bonds.

"Bond Year" means, with respect to the Series 2014A-4 Bonds, the twelve (12) month period ending on each anniversary of the date of original issuance of the Series 2014A-4 Bonds and on the final maturity date of the Series 2014A-4 Bonds.

"Bond" or "Bonds" shall mean the Outstanding Bonds of the Commission issued pursuant to Section 201 of the 2005 Resolution and Section 1804 of this First Supplemental Resolution, including the Series 2005 Bonds, the Series 2014A-4 Bonds and Refunding Bonds, if any.

"County Guaranty" means the County's unconditional guaranty of the punctual payment of the principal of and interest on the Bonds, adopted pursuant to the Act and, specifically, with respect to the Series 2014A-4 Bonds, as approved by ordinance of the Board of Chosen Freeholders of the County duly adopted on April 10, 2013, as the same may be amended from time to time.

"Escrow Agreement" means the Escrow Deposit Agreement dated as of the date of issuance of the Series 2014A-4 Bonds between the Commission and the Escrow Agent named therein.

“Escrow Fund” means the escrow fund established under the Escrow Agreement.

“First Amendment to Leases” means, collectively, the First Amendment to the Equipment Lease and the First Amendment to the Improvement Lease, by and between the Commission and the Participant or Participants, as applicable, who will have amendments to their Basic Rent as a result of the issuance of the Series 2014A-4 Bonds and the refinancing of the Series 2005 Bonds.

“First Supplemental Resolution” means this First Supplemental Resolution adopted May 13, 2014, as it may be further amended and supplemented.

“Guaranty Agreement” or “County Guaranty Agreement” shall mean the County Guaranty Reimbursement Agreement or Agreements entered into by and among the County, the Commission and the Trustee wherein the County has irrevocably and unconditionally guaranteed the punctual payment of the principal of and interest on the Series 2005 Bonds and the Series 2014A-4 Bonds and setting forth the terms and conditions of the County Guaranty with respect to the Series 2005 Bonds and the Series 2014A-4 Bonds, as amended and supplemented.

“Interest Payment Date” shall mean, with respect to the Series 2014A-4 Bonds, the dates that shall be established in the Series Certificate pertaining thereto.

“Lease Payment Date” shall mean, with respect to the Series 2014A-4 Bonds, such dates as shall be established in the First Amendment to Leases, which dates shall not be later than the thirty (30) preceding each Interest Payment Date and Principal Installment Date, as applicable.

“Official Statement” means the Official Statement of the Commission relating to the Series-2014A-4 Bonds.

“Preliminary Official Statement” means the Preliminary Official Statement of the Commission relating to the Series 2014A-4 Bonds.

“Principal Installment Date” shall mean, with respect to the Series 2014A-4 Bonds, the dates set forth in the Series Certificate pertaining thereto on which any Principal Installment shall become due and payable by the Commission.

“Prior 2005 Bonds” means all or a portion of the County-Guaranteed Lease Revenue Bonds (2005 Governmental Leasing Program), Series 2005 maturing on and after September 15, 2016 as set forth on Exhibit A attached hereto and made a part hereof and as further set forth in the Series Certificate.

“Record Date” shall mean, with respect to the Series 2014A-4 Bonds, the fifteenth (15th) day next preceding any Interest Payment Date (whether or not a Business Day).

“Series Certificate” means the certificate of an Authorized Commission Representative dated the date of delivery of the Series 2014A-4 Bonds upon original issuance.

“Series 2014A-4 Bonds” means the County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A-4, authorized by Section 1804 of this First Supplemental Resolution.

**1803. Authority for this First Supplemental Resolution.**

This First Supplemental Resolution is adopted (i) pursuant to the provisions of the Act, and (ii) in accordance with Article II and Article XI of the 2005 Resolution.

**1804. Series 2014A-4 Bonds.** 1. There is hereby authorized an issue of Bonds under the 2005 Resolution which shall be designated and shall be distinguished from the Bonds of all other Series by the title, “County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A-4” and which shall be in the aggregate principal amount not to exceed \$3,000,000.

2. The Series 2014A-4 Bonds shall be issued for the purposes of (i) refunding all or a portion of the Prior 2005 Bonds as set forth in the Series Certificate, and (ii) paying the costs of authorization, issuance, sale and delivery of the Series 2014A-4 Bonds.

3. The Commission hereby determines that the Chairman, the Vice Chairman and the Executive Director (each an “Authorized Commission Representative”) are each hereby designated and authorized to sell and to award the Series 2014A-4 Bonds on behalf of the Commission to the purchasers thereof, including the power to determine, among other things, (a) the principal amount of Series 2014A-4 Bonds to be issued, (b) the time and the manner of sale of the Series 2014A-4 Bonds, (c) the Prior 2005 Bonds or portion thereof to be refunded, (d) the dated date, the maturity dates and the Principal Installment Dates of the Series 2014A-4 Bonds and the provisions pertaining to redemptions thereof and/or Sinking Funds Installments established therefor, (e) the rate or rates of interest for the Series 2014A-4 Bonds, the Interest Payment Dates and the Lease Payment Dates, (f) the underwriters for the Series 2014A-4 Bonds, and (g) such other terms and conditions as may be necessary or related to the sale of the Series 2014A-4 Bonds; provided, however, that (i) the aggregate principal amount of the Series 2014A-4 Bonds shall not exceed the principal amount authorized by this Section 201 (inclusive of original issue discount), (ii) the final maturity date of the Series 2014A-4 Bonds shall not be later than August 15, 2025, (iii) the underwriter’s discount for the Series 2014A-4 Bonds shall not exceed \$6.50 per \$1,000 principal amount thereof (inclusive of counsel fees and expenses); and (iv) the Redemption Price of any Series 2011 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2014A-4 Bonds or portion thereof to be redeemed, plus accrued interest to the date of redemption.

4. The sale and award of the Series 2014A-4 Bonds by an Authorized Commission Representative shall be evidenced by the execution of a Series Certificate and such Series



Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following the sale and award of the Series 2014A-4 Bonds as evidence of the terms and details of the sale of such Series 2014A-4 Bonds.

5. Any Authorized Commission Representative is hereby authorized to select a Bond Insurer, if any, for the Series 2014A-4 Bonds (provided that the Commission's financial advisor determines that the premium for the bond insurance will result in positive economic benefit and provided further such Authorized Commission Representative determines in consultation with the Commission's financial advisor that bond insurance for the Series 2014A-4 Bonds is necessary and desirable in order to market the Series 2014A-4 Bonds), to execute a commitment letter for the issuance of a Bond Insurance Policy by such Bond Insurer (or a certificate evidencing selection of the Bond Insurer), to carry out the Commission's obligations thereunder (including payment of the premium for the Bond Insurance Policy), and to accept terms and conditions relating to the Series 2014A-4 Bonds required by the Bond Insurer as a condition to issuance of the Bond Insurance Policy and to incorporate such terms and conditions in the Series Certificate, as such Authorized Commission Representative deems necessary and appropriate with the advice of Bond Counsel.

6. The Series 2014A-4 Bonds shall be dated, shall bear interest from their dated date payable on the dates and at the rates per annum, and shall mature on the dates and in each of the years and in the principal amounts as set forth in the Series Certificate.

7. TD Bank, National Association is hereby appointed Bond Registrar and Paying Agent for the Series 2014A-4 Bonds.

8. The Series 2014A-4 Bonds shall be issued in registered form in the Authorized Denominations and shall be numbered from one upward, preceded by the letter "R" prefixed to the number.

9. The proceeds, including accrued interest, if any, of the Series 2014A-4 Bonds shall be paid to the Trustee and applied simultaneously with the initial issuance and delivery of the Series 2014A-4 Bonds in accordance with an order of the Commission as follows:

(A) There shall be deposited in the Debt Service Fund, an amount, if any, equal to the interest accrued on the Series 2014A-4 Bonds to the date of initial issuance and delivery of the Series 2014A-4 Bonds;

(B) There shall be deposited in the Escrow Fund established under the Escrow Agreement, the amount necessary to effectuate the refunding and defeasance of the Prior 2005 Bonds, and

(C) The balance of the proceeds of the Series 2014A-4 Bonds shall be deposited in the Operating Fund.

10. Prior to delivery of any of the Series 2014A-4 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 this First Supplemental 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.

**1805. Provisions Relating to the County Guaranty.** 1. So long as the Series 2014A-4 Bonds are Outstanding, the payment of principal of and interest on the Series 2014A-4 Bonds shall be unconditionally and irrevocably guaranteed by the County in accordance with the County Guaranty. The County Guaranty shall be printed on the Series 2014A-4 Bonds and shall be duly executed by the manual or facsimile signature of an authorized officer of the Board of Chosen Freeholders.

2. The Commission hereby assigns its right to receive any payments which are to be made by the County pursuant to the terms of the County Guaranty to the Trustee. Upon receipt by the Trustee of any monies by the County pursuant to the terms of the County Guaranty, the Trustee shall deposit such monies in a separate account which shall be established in the Debt Service Fund and applied to the payment of principal of and interest on the Series 2014A-4 Bonds.

**1806. Form of Series 2014A-4 Bonds and Trustee's Certificate of Authentication.** Subject to the provisions of the 2005 Resolution, the form of the Series 2014A-4 Bonds and the Trustee's Certificate of Authentication shall be of substantially the following tenor:

No. R-\_\_

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

**COUNTY-GUARANTEED LEASE REVENUE REFUNDING BOND  
(GOVERNMENTAL LEASING PROGRAM), SERIES 2014A-4**

INTEREST RATE PER ANNUM	DATED DATE	MATURITY DATE	DATE OF AUTHENTICATION	CUSIP NUMBER
_____%	_____	1, _____1, 20__	_____, 20__	
	20__			

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 \_\_\_\_\_. This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of TD Bank, N.A.. 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 "County-Guaranteed Lease Revenue Refunding Bonds (Governmental Leasing Program), Series 2014A" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount of \$3,000,000 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 June 21, 2005 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Lease Revenue Bonds (2005 Governmental Leasing Program), Series 2005", as amended and supplemented (the "Resolution") and the Series Certificate (as defined in the 2005 Resolution). Copies of the 2005 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 2005 Resolution.

This Bond is a direct, limited and special obligation of the Commission payable from and secured by a lien on the Pledged Property of the Commission, as such term is defined in the 2005 Resolution, and from any other moneys pledged therefor under the 2005 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 2005 Resolution. This Bond is also an obligation which is entitled to the benefit of a guaranty of the County of Burlington, New Jersey (the "County"), authorized pursuant to an ordinance of the County duly adopted on June 22, 2005, as amended and supplemented (the "County Guaranty") and the Guaranty Agreement by and among the County, the Commission and the Trustee dated as of August 15, 2005, as amended and supplemented (the "Guaranty Agreement"), which County Guaranty and Guaranty Agreement secure the payment of the principal of and interest on the Bonds.

The Bonds are issued in the form of registered bonds without coupons in book-entry form only in Authorized Denomination.

As defined in the 2005 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 2005 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__	_____%
_____ 1 20__ to _____ 31, 20__	_____%
_____ 1 20__ and thereafter	_____%

If less than all of the Bonds of like maturity Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the 2005 Resolution.

Notice of each optional or mandatory redemption of the Bonds shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNER hereof, in accordance with the provisions of the 2005 Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the Redemption Price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption. So long as this Bond is registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., notice of redemption shall be mailed by the Trustee to DTC or its nominee, and the Trustee shall not be required to mail notices of redemption to any other person or entity.]

Pursuant to the 2005 Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the 2005 Resolution. All bonds issued and to be issued under the 2005 Resolution, including the Bonds and Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the 2005 Resolution except as otherwise provided in or pursuant to the 2005 Resolution.

To the extent and in the respects permitted by the 2005 Resolution, the provisions of the 2005 Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Commission in the manner and subject to the conditions and exceptions which are set forth in the 2005 Resolution. The pledge of the Pledged Property and other obligations of the Commission under the terms of the 2005 Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the 2005 Resolution.

This Bond is transferable, as provided in the 2005 Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, N.A. (the "Bond Registrar"), as registrar under the 2005 Resolution, or its successor as Bond Registrar, by the REGISTERED OWNER hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the REGISTERED OWNER or by such duly authorized attorney, together with the required signature-guarantee, and thereupon the 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 2005 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.

Reference to the 2005 Resolution, the County Guaranty, the County Guaranty Agreement and the Act is made for a description of the nature and extent of the security for the Bonds, the Pledged Property, the funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, liabilities and obligations of the Commission, the County and of the Trustee.

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, AS APPLICABLE UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT, THE COUNTY, AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION OTHER THAN THE COMMISSION, AND, AS APPLICABLE UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT, THE COUNTY, 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 (OTHER THAN THE COUNTY, AS APPLICABLE, UNDER AND LIMITED BY THE COUNTY GUARANTY AND THE COUNTY GUARANTY AGREEMENT) 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 2005 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 2005 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.

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 County-Guaranty Lease Revenue Refunding Bonds (Governmental Leasing Program), 2014 Series A-\_\_ of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond Resolution.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

**"GUARANTY BY THE COUNTY OF BURLINGTON, NEW JERSEY"**

The payment of the principal of and interest in each year on the within bond according to its terms is hereby fully and unconditionally guaranteed by the County of Burlington, New Jersey, for as long as this bond is outstanding under the resolution authorizing the issuance of this Bond.

IN WITNESS WHEREOF, the County of Burlington, New Jersey, has caused this Guaranty to be executed by the manual or facsimile signature of its Director of the Board of Chosen Freeholders.

County of Burlington, New Jersey

By: \_\_\_\_\_  
Director of the Board of Chosen Freeholders

[SEAL]"

**1807. Approval of Bond Purchase Contract.** The Series 2014A-4 Bonds shall be sold to the underwriters identified in the Bond Purchase Contract at the purchase price and on the terms and conditions set forth in the Bond Purchase Contract. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to approve and execute the Bond Purchase Contract, with the advice of Bond Counsel, and to deliver it to the underwriters and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Bond Purchase Contract and to take all action contemplated to be taken by the Commission pursuant to the terms of the Bond Purchase Contract. The execution and delivery of the Bond Purchase Contract shall be deemed to constitute approval by the Commission of the final terms and conditions of the Bond Purchase Contract.

**1808. Approval of Preliminary Official Statement and Official Statement.** The Commission's Bond Counsel, financial advisor and auditor and the underwriters are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2014A-4 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 2014A-4 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.

The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the final Official Statement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Official Statement, said execution being conclusive evidence of such approval, and any amendments or supplements to the Official Statement as may be necessary or desirable in order to comply with the provisions of the Bond Purchase Contract. After execution, the officer of the Commission executing the Official Statement is hereby authorized to deliver to the underwriters an executed copy or copies of the Official Statement and any amendments or supplements thereto as required by the Bond Purchase Contract.

**1809. Continuing Disclosure.** In order to comply with Rule 15c2-12, the Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the



Commission to execute and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Continuing Disclosure Agreement, said execution being conclusive evidence of such approval.

**1810. Authorization of Other Officers.** The Chairman, Vice Chairman, Secretary, Executive Director 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 2005 Resolution, this First Supplemental resolution, the First Amendment to Leases, Escrow Agreement, the Preliminary Official Statement, the Official Statement and the Bond Purchase Contract and for the authorization, sale and issuance of the Series 2014A-4 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.

**1811. Election to Redeem Prior 2005 Bonds.** Pursuant to the provisions of Section 205 of the 2005 Resolution, the Commission hereby elects to redeem all or a portion of the Prior 2005 Bonds, on September 15, 2015 (the "Redemption Date"), at a Redemption Price equal to 100% of the principal amount thereof to be redeemed.

**1812. Notice of Redemption of Prior 2005 Bonds.** Pursuant to the provisions of Section 405 of the 2005 Resolution, notice of the redemption of the Prior 2005 Bonds to be redeemed shall be mailed by the Trustee, not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date, to the registered owners of the Prior 2005 Bonds, at their last addresses appearing on the registration books maintained by the Commission at the office of the Trustee.

**1813. Approval of Escrow Agreement.** The Escrow Agreement, in substantially the form submitted to this meeting and made a part of this First Supplemental Resolution as though set forth in full herein, is hereby approved. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the officer of the Commission executing the Escrow Agreement, said execution being conclusive evidence of such approval, and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the Escrow Agreement and to take all action contemplated to be taken by the Commission pursuant to the terms of the Escrow Agreement.

**1814. Approval of First Amendment to Leases.** The First Amendment to Leases, in substantially the respective forms submitted to this meeting and made a part of this First Supplemental Resolution as though set forth in full herein, are hereby approved. The Authorized Commission Representatives be, and each of them hereby is, authorized on behalf of the Commission to execute and deliver the First Amendment to Leases with such changes, insertions

and omissions as may be approved by the officer of the Commission executing the First Amendment to Leases, said execution being conclusive evidence of such approval, and each of said officers of the Commission is, and all other officers of the Commission are, hereby authorized and directed to carry out or cause to be carried out all obligations of the Commission under the First Amendment to Leases and to take all action contemplated to be taken by the Commission pursuant to the terms of the First Amendment to Leases.

**1815. Resolution to Remain in Effect.** Save and except as supplemented and amended by this First Supplemental Resolution, the 2005 Resolution shall remain in full force and effect.

**1816. Effective Date.** This First Supplemental Resolution shall take effect upon the filing with the Trustee and the County of a copy of this First Supplemental Resolution certified by an Authorized Commission Representative, and upon the written consent of the County.

**APPENDIX D**  
**COPY OF THE 2015 BOND RESOLUTION**

**APPENDIX D**

**2015 Resolution**

**APPENDIX D-1**

**2017 Supplemental Resolution**

**RESOLUTION NO. 2017-24**

**SUPPLEMENTAL RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION SUPPLEMENTING THE COMMISSION'S RESOLUTION ENTITLED "RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OR NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2015", DULY ADOPTED ON MARCH 10, 2015, AS AMENDED AND SUPPLEMENTED ON OCTOBER 14, 2015 AND MARCH 15, 2016.**

WHEREAS, the Burlington County Bridge Commission ("Commission") has been duly created by resolution of the Board of Chosen Freeholders of the County of Burlington, New Jersey ("County"), duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey ("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 ("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 has the authority to issue notes pursuant to a resolution of the Commission entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds or Notes (Governmental Leasing Program), Series 2015", duly adopted on March 10, 2015, as the same may be further amended and supplemented including by the 2015 Note Supplemental Resolution (as hereinafter defined) and this 2017B Note Supplemental Resolution (as hereinafter defined) (collectively, "Bond Resolution"); and

WHEREAS, the Bond Resolution authorized the Commission to issue not-to-exceed \$86,000,000 in Lease Revenue Bonds ("Bonds") or Lease Revenue Notes ("Notes") for the purpose of (i) temporarily or permanently financing, as the case may be, a portion of the costs the County's 2013 and 2014 Capital Budgets consisting of the construction of various infrastructure improvements (collectively "Improvements") and acquisition and installation of various items of capital equipment (collectively "Equipment" and together with the Improvements "2015 Capital Program") to be leased by the commission to the County pursuant to (x) an Improvement Lease (as hereinafter defined) and (y) an Equipment Lease (as hereinafter defined) and (ii) paying costs and expenses associated with the issuance of said Bonds or Notes.

**WHEREAS**, on May 5, 2015, in accordance with the Act and the Bond Resolution, the Commission issued \$29,950,000 aggregate principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015 (“Series 2015 Notes”), for the purpose of financing the initial costs of the 2015 Capital Program; and

**WHEREAS**, in connection with the issuance of the Series 2015 Notes, the commission and the County executed an Improvement Lease and Agreement, dated May 5, 2015 (“Improvement Lease”) and an Equipment Lease and Agreements, dated May 5, 2015 (“Equipment Lease” and together with the Improvement Lease “Leases”), each to finance a portion of the 2015 Capital Program, pursuant to which Leases the County agreed to make Rental Payments to the Commission to pay the principal of and interest on the Lease Revenue Notes, including the Series 2015 Notes; and

**WHEREAS**, the Series 2015 Notes were scheduled to mature on February 1, 2016; and

**WHEREAS**, on November 17, 2015, in accordance with the Act and a Supplemental Resolution duly adopted on October 14, 2015 (“2015 Note Supplemental Resolution”), the Commission issued \$39,870,000 aggregate principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2 (“Series 2015B-2 Notes”), for the purpose of currently refunding the Series 2015 Notes; (ii) financing an additional \$10,000,000 of costs of construction and/or acquisition of additional Improvements and Equipment set forth in the 2015 Capital Program; and (iii) paying the costs of issuance relating to the Series 2015B-2 Notes; and

**WHEREAS**, to fully secure the Series 2015B-2 Notes, the commission and the County executed a First Amendment to each of the Leases, each dated November 17, 2015 (collectively “First Amendments to Leases”), to provide for the payments of Rentals by the County in connection with the issuance of the Series 2015B-2 Notes; and

**WHEREAS**, the Series 2015B-2 Notes matured on May 17, 2016; and

**WHEREAS**, on April 27, 2016, the commission issued its \$49,870,000 Lease Revenue Notes (“Series 2016B Notes”) to temporarily refinance a \$39,870,000 portion of the Series 2015B-2 Notes and to finance \$10,000,000 in costs of construction and/or acquisition of additional Improvements and Equipment set forth in the 2015 Capital Program; and

**WHEREAS**, to fully secure the Series 2016A Notes, on April 27, 2016, the Commission and the County executed a Second Amendment to each of the Leases to provide

for the payments of Rentals by the County in connection with the issuance of the Series 2016A Notes; and

**WHEREAS**, the Series 2016B Notes mature on April 26, 2017; and

**WHEREAS**, the County has requested that the Commission issue a series of Lease Revenue Notes to (i) currently refund the Series 2016B Notes; (ii) to finance an additional \$2,500,000 in costs of construction and/or acquisition of additional Improvements and Equipment set forth in the 2015 Capital Program and (iii) pay the costs of issuance relating to the Series 2017B Notes (as hereinafter defined) (the items described in clauses (i), (ii) and (iii) above are hereinafter collectively referred to as the "2017 Project"); and

**WHEREAS**, the Commission has determined pursuant to the terms and conditions set forth in the Bond Resolution, including this 2017B Note Supplemental Resolution, to issue its Lease Revenue Notes (Governmental Leasing Program), Series 2017B ("Series 2017B Notes"), the proceeds of which are to be used to pay the costs of the 2017 Project; and

**WHEREAS**, the Commission desires to authorize the execution and delivery of a Third Amendment to each of the Leases to provide for Rental Payments by the county in an aggregate amount equal to the principal of and interest on the Series 2017B Notes.

**WHEREAS**, under the Master Lease, the Commission shall make rental payments to the Lessor solely from amounts received by the School District under the Participant Lease; and

**NOW, THEREFORE, BE IT RESOLVED** by the Burlington County Bridge Commission as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

**Section 101. Short Title.** This supplemental resolution may hereinafter be cited by the Commission, and is hereinafter sometimes referred to, as "2017B Note Supplemental Resolution."

**Section 102. Authorization for 2017B Note Supplemental Resolution.** This 2017B Note Supplemental Resolution further supplements the Bond Resolution and is authorized by, and is adopted pursuant to, the provisions of the Act and Sections 1101 of the Bond Resolution.

**Section 103. Certain Definitions.** Capitalized terms used but not specifically defined herein and in the recitals hereto shall, unless the context clearly requires otherwise, have the meanings that are ascribed to such terms in the Bond Resolution.



## ARTICLE II

### AUTHORIZATION OF SERIES 2017B NOTES

**Section 201. Authorization of Series 2017B Notes.** Pursuant to and in accordance with the provisions of Section 201 of the Bond Resolution, the Commission hereby authorizes the issuance of a series of Lease Revenue Notes, in an aggregate principal amount not-to-exceed \$50,200,000, in order to: (i) pay the costs of refinancing (through a current refunding) the Series 2015B-2 Notes; (ii) finance an additional \$10,000,000 of costs of construction and/or acquisition of additional Improvements and Equipment set forth in the 2015 Capital Program; and (iii) pay the costs of issuance relating to the Series 2017B Notes. The Series 2017B Notes shall be designated "Lease Revenue Notes (Governmental Leasing Program), Series 2016B."

**Section 202. Terms of Series 2017B Notes.** (a) The Series 2017B Notes shall be dated their date of issuance, shall mature no later than one year after their date of issuance and shall bear interest at such rate of interest per annum as shall be determined by the Series Certificate delivered prior to the authentication and delivery upon original issuance of the Series 2017B Notes. The Series Certificate may contain such other terms and provisions with respect to the Series 2017B Notes that are not established by the terms of the Bond Resolution or by the terms hereof and that are not inconsistent with the provisions thereof and hereof.

(b) The Series 2017B Notes shall be issued in fully registered form in the principal amount of the Series 2017B Notes. Unless the Commission shall otherwise direct the Registrar, the Series 2017B Notes shall be lettered and numbered R-1 and/or such other letter or letters as determined by the Trustee prefixed to the number. Subject to the provisions of this 2017B Note Supplemental Resolution, the form of the Series 2017B Notes and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401 and 1402 of the Bond Resolution.

(c) The Series 2017B Notes 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 of the Bond Resolution. The Series 2017B Notes shall mature on the date and in the Principal Amount, and shall bear interest payable on the Note Payment Date at the rate per annum set forth in the Series Certificate relating thereto.

**Section 203. Application of Proceeds of Series 2017B Notes.** The proceeds from the sale of the Series 2017B Notes shall be applied by the Trustee, upon receipt, in the manner set forth in Section 201 hereof and as may be further set forth in the Series Certificate.

**Section 204. Sale of Series 2017B Notes.** (a) Pursuant to and in accordance with the terms of the Bond Resolution, the Commission hereby determines that the Authorized Commission Representatives, are authorized to sell and to award the Series 2017B Notes on behalf of the Commission to the purchaser thereof, including the power to determine, among other things, (a) the amount of the Series 2017B Notes to be issued, in an amount not-to-exceed the amount of the Series 2017B Notes that are authorized to be issued pursuant to the terms of Section 201 hereof, (b) the time and manner of sale of the Series 2017B Notes, (c) the maturity date of the Series 2017B Notes (subject to the limitations contained below and in Section 202 hereof) and the provisions pertaining to redemption, if any, of the Series 2017B Notes, (d) the rate of interest for the Series 2017B Notes, and (e) such other terms and conditions as may be necessary or related to the sale of the Series 2017B Notes, and the Authorized Commission Representatives are hereby authorized to determine the details of and execute a contract of purchase or other similar document, if any, in connection with the sale of the Series 2017B Notes (the "Purchase Contract"). The Authorized Commission Representatives are hereby authorized to award the Series 2017B Notes to the purchaser thereof. Such award shall be evidenced by the execution of the Purchase Contract and a Series Certificate.

(b) The Purchase Contract, if any, and the Series Certificate shall determine the terms and conditions relating to the sale of the Series 2017B Notes, including the maturity date for the Series 2017B Notes, the rate of interest to be borne by the Series 2017B Notes and the Underwriter's discount, if any, that is payable to the Underwriter in connection with

the sale of the Series 2017B Notes; provided, however, that without the further authorization of the Commission, the final maturity date for the Series 2017B Notes shall be not later than one year from the Date of Issue, the rate of interest (or the net interest rate in the event that the Series 2017B Notes are issued as fixed interest rate obligations) or the initial rate of interest (in the event the Series 2017B Notes bear interest at a variable rate of interest), as the case may be, to be borne by the Series 2017B Notes shall not exceed four percent (4.00%) per annum, and the Underwriter's discount for the Series 2017B Notes shall not exceed \$2.50 per \$1,000 principal amount of the Series 2017B Notes. The Purchase Contract and the Series Certificate shall contain such other terms and conditions as shall be deemed necessary in connection with the sale of the Series 2017B Notes.

(c) Any Authorized Commission Representative is also authorized to accept terms and conditions relating to the Series 2017B Notes required as a condition to the issuance thereof and to make such necessary changes in this 2017B Note Supplemental Resolution to reflect such terms and conditions as such Authorized Commission Representative deems necessary and appropriate with the advice of Bond Counsel and to set forth such provisions in the Series Certificate.

(d) The sale and award of the Series 2017B Notes by the Authorized Commission Representatives shall be evidenced by the execution of the Purchase Contract and the Series Certificate as of the date of the sale and award of the Series 2017B Notes, and 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 the Series 2017B Notes.

(e) The Commission's Bond Counsel and Financial Advisor and the Underwriter are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2017B Notes. 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 2017B Notes, the Series 2016A Notes and the Series 2016 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.

(f) 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 Executive Director, the Secretary, the Treasurer and any other Authorized Commission Representative, shall execute any closing documents which are required to be executed in connection with the delivery of the Series 2017B Notes. Any actions which are not determined by this 2017B Note Supplemental Resolution or any other resolution of the Commission duly adopted prior to the authentication and delivery of the Series 2017B Notes shall be determined by an Authorized Commission Representative.

(g) The Chairman, Vice Chairman, Secretary 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 this 2017B Note Supplemental Resolution, the Leases (as further amended by the Third Amendments to the Leases), the Preliminary Official Statement, the Official Statement and the Purchase Contract and for the authorization, sale and issuance of the Series 2017B Notes. 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 205. Amendments to Leases.** (a) The Third Amendment to Improvement Lease, substantially in the form set forth on the draft on file with the Commission's Executive Director and General Counsel, together with such changes as may be required for such amendment to be effective in the opinion of General Counsel, is hereby approved. An

Authorized Commission Representative is hereby authorized to execute the same on behalf of the Commission and the Secretary is hereby directed to seal and attest this document. Upon due execution by the Commission and the County, Exhibit A and Exhibit B of the Improvement Lease Agreement are hereby deleted in their entirety and replaced by Exhibit A and Exhibit B attached to the Third Amendment to Improvement Lease, and all references in the Improvement Lease to Exhibit A or Exhibit B shall be references to Exhibit A or Exhibit B, respectively, attached to the Third Amendment to Improvement Lease.

(b) The Third Amendment to Equipment Lease, substantially in the form set forth on the draft on file with the Commission's Executive Director and General Counsel, together with such changes as may be required for such amendment to be effective in the opinion of General Counsel, is hereby approved. An Authorized Commission Representative is hereby authorized to execute the same on behalf of the Commission and the Secretary is hereby directed to seal and attest this documents. Upon due execution by the Commission and the County, Exhibit A of the Equipment Lease Agreement is hereby deleted in its entirety and replaced by Exhibit A attached to the Third Amendment to Equipment Lease, and all references in the Equipment Lease to Exhibit A shall be references to Exhibit A attached to the Third Amendment to Equipment Lease.

### ARTICLE III

#### MISCELLANEOUS

**Section 301. Supplemental Resolutions; Amendment of 2017B Note Supplemental Resolution.** At any time or from time to time, a Supplemental Resolution of the Commission may be adopted for the purpose of further supplementing or amending the Bond Resolution or amending or supplementing this 2017B Note Supplemental Resolution, in each case upon the terms and conditions set forth in Article XI of the Bond Resolution. Notwithstanding the foregoing, the authorization of the issuance and sale of any of the Series 2017B Notes may be modified or rescinded at any time prior to the issuance or sale thereof by resolution duly adopted by the Commission.

**Section 302. Severability of Invalid Provisions.** If any one or more of the provisions, covenants or agreements in this 2017B Note Supplemental Resolution on the part of the Commission or any fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements shall be deemed separable from the remaining provisions, covenants and agreements and shall in no way affect the validity of the other provisions of this 2017B Note Supplemental Resolution or of the Series 2017B Notes.

**Section 303. Successors and Assigns.** Whenever in this 2017B Note Supplemental Resolution the Commission is named or referred to, it shall, and shall be deemed to, include its successors and assigns, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Commission contained in this 2017B Note Supplemental Resolution shall bind and inure to the benefit of such successors and assigns and of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Commission or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this 2017B Note Supplemental Resolution.

**Section 304. No Recourse on Series 2017B Notes.** No recourse shall be had for the payment of the principal or redemption price of or interest on the Series 2017B Notes or for any claim based thereon or on the Bond Resolution or this 2017B Note Supplemental Resolution against any member, commissioner or other officer of the Commission or any person executing the Series 2017B Notes. The Series 2017B Notes are not and shall not be in any way a debt or liability of the State or of any political subdivision thereof (other than the Commission, to the limited extent set forth in the Bond Resolution and this 2017B Note Supplemental Resolution, and the County, to the extent set forth in the Leases (as amended by the Third Amendments to Leases)), and do not and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof (other than the Commission, to the limited extent set forth in the Bond Resolution and this 2017B

Note Supplemental Resolution, and the County, to the extent set forth in the Leases (as amended by the Third Amendments to Leases)), either legal, moral or otherwise. The Commission has no taxing power.

**Section 305. Incorporation of Bond Resolution by Reference.** All other provisions of the Bond Resolution, as heretofore amended and supplemented, are incorporated by this reference, as if the same were set forth in full herein, and such provisions shall remain in full force and effect.

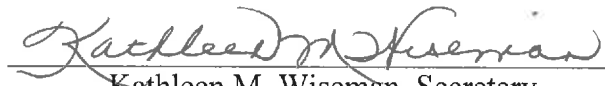
**Section 306. 2017B Note Supplemental Resolution to Constitute a Contract; Governing Law.** This 2017B Note Supplemental Resolution shall be deemed to be a contract made under the laws of the State, and for all purposes shall be construed in accordance with the laws of the State.

**Section 307. Effective Date.** In accordance with the terms of Section 1101 of the Bond Resolution, this 2017B Note Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy of this 2017B Note Supplemental Resolution, certified by an Authorized Commission Representative.

**RECORDED VOTE**

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
John B. Comegno II	x			
James D. Fattorini	x			
Troy E. Singleton	x			

The foregoing is a true copy of a resolution adopted by the governing body of the Burlington County Bridge Commission on March 17, 2017.

  
\_\_\_\_\_  
Kathleen M. Wiseman, Secretary  
03/17/2017  
\_\_\_\_\_  
Date

[SEAL]

**APPENDIX C-2**

**2015 Resolution**

**EXHIBIT "C"**

**RESOLUTION NO. 2015-25**

**RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS  
OR NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2015.**

March 10, 2015

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**RESOLUTION OF THE BURLINGTON COUNTY BRIDGE  
COMMISSION AUTHORIZING THE ISSUANCE OF  
LEASE REVENUE BONDS OR NOTES (GOVERNMENTAL  
LEASING PROGRAM), SERIES 2015.**

**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:

**2015 Governmental 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 2015 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 Director of Improvement Authority Operations 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 Municipal 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 County, 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 and 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 2015 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 2015 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 2015 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 2015 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 2015 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 or of 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 2015 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 2015 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 2015 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 2015 Bonds.

**Improvements Lease** shall mean with respect to the Series 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Bonds** shall mean the Lease Revenue Bonds (Governmental Leasing Program), Series 2015 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 2015 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 2015 Governmental 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 2015 Governmental Leasing Program, Bonds of the Commission to be designated as "Lease Revenue Bonds (Governmental Leasing Program), Series 2015". 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. All Bonds issued hereunder shall be issued as County-Guaranteed obligations. 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 (Governmental Leasing Program), Series 2015", 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 2015 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 2015 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 \$86,000,000. Such Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title, "Lease Revenue Bonds (Governmental Leasing Program), Series 2015".

(b) The Series 2015 Bonds shall be issued to (i) finance the Costs of the 2015 Governmental Leasing Program for the County, (ii) make the required deposit of interest accrued on the Series 2015 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 2015 Bonds.

(c) The Series 2015 Bonds shall be issued in fully registered form in Authorized Denominations. Unless the Commission shall otherwise direct the Bond Registrar, the Series 2015 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 2015 Bonds and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401 and 1402, respectively, hereof.

(d) The proceeds of the Series 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Bonds shall not exceed \$12,000,000 (inclusive of original issue discount), (ii) the final maturity date shall not be later than December 31, 2025, (iii) the true interest cost of the Series 2015 Bonds shall not exceed six and twenty-five one hundredths percent (6.25%), (iv) the underwriter's discount for the Series 2015 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 2015 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2015 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 2015 Bonds shall be as set forth in the Series Certificate awarding such Series 2015 Bonds to the initial purchasers thereof.

3. The principal or Redemption Price, if applicable, of the Series 2015 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 2015

Bonds. The principal or Redemption Price, as applicable, of all Series 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Bonds. Any Authorized Commission Representative is hereby authorized to award the Series 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 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 2015 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 and an Authorized County Representative and acknowledged and accepted by the County 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 the 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 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, 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 respective 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 Accounts 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(1)(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 amounts 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 calculation and 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 shall be paid into the County Accounts 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 each of 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 with each of 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 is a valid and binding obligation 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 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 2015 Governmental 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 either of the Leases known to the Trustee pursuant to Section 508 hereof.

March 10, 2015

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 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 Lease.** In the event the County is unable to pay when due the Rental Payments to be paid under either of the Leases or is unable to observe and perform any covenant or agreement on its part to be observed or performed under either of the Lease, the Commission upon written request of 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 either of the Lease 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 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 Leases by the County shall occur and be continuing, it will not exercise any of such remedies set forth in the Lease 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.

March 10, 2015

**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 at 49 Rancocas Road, Mt. Holly, New Jersey 08060, Attn: County Treasurer, (ii) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey, 08065, Attn: Executive Director, and (iii) 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.

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**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.

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**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**  
**(GOVERNMENTAL LEASING PROGRAM), SERIES 2015**

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

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, 2015, and semiannually thereafter on the first days of \_\_\_\_\_ and \_\_\_\_\_]. [stated above on \_\_\_\_\_, 2016 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 [Bank]. 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 (Governmental Leasing Program), Series 2015" (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

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and in accordance with a resolution of the Commission duly adopted March 10, 2015 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds (Governmental Leasing Program), Series 2015" (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__	_____%
_____ 1 20__ to _____ 31, 20__	_____%
_____ 1 20__ and thereafter	_____%

If less than all of the Bonds of like maturity Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Bond Resolution.

Notice of each optional or mandatory redemption of the Bonds shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the Registered Owner hereof, in accordance with the provisions of the Bond Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date therein designated, and if, on the redemption date,

moneys for payment of the Redemption Price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption. So long as this Bond is registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., notice of redemption shall be mailed by the Trustee to DTC or its nominee, and the Trustee shall not be required to mail notices of redemption to any other person or entity.

Pursuant to the Bond Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the Bond Resolution. All bonds issued and to be issued under the Bond Resolution, including Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the Bond Resolution except as otherwise provided in or pursuant to the Bond Resolution.

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

This Bond is transferable, as provided in the Bond Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, National Association (the "Bond Registrar"), as registrar under the Bond Resolution, or its successor as Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the 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

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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.

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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]

March 10, 2015

**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 County in a Securities Transfer Association.

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

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the issue of Lease Revenue Bonds (Governmental Leasing Program), Series 2015 of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond Resolution.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

March 10, 2015

**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*.

March 10, 2015



**EXHIBIT A**

**FORM OF EQUIPMENT LEASE**

March 10, 2015

**APPENDIX E**  
**COPIES OF THE 2013 LEASES, AS AMENDED BY THE FIFTH AMENDMENT**

## **APPENDIX E**

### **COPIES OF LEASES RELATED TO 2017A NOTES**

E-1	Fifth Amendment to 2013 Improvement Lease (Secures 2017A Notes)
E-2	2013 Improvement Lease
E-3	First Amendment to 2013 Improvement Lease
E-4	Second Amendment to 2013 Improvement Lease
E-5	Third Amendment to 2013 Improvement Lease
E-6	Fourth Amendment to 2013 Improvement Lease
E-7	Fifth Amendment to 2013 Equipment Lease (Secures 2017A Notes)
E-8	2013 Equipment Lease
E-9	First Amendment to 2013 Equipment Lease
E-10	Second Amendment to 2015 Equipment Lease
E-11	Third Amendment to 2015 Equipment Lease
E-12	Fourth Amendment to 2015 Equipment Lease

**APPENDIX E-1**

**Fifth Amendment to 2013 Improvement Lease (Secures 2017A Notes)**

**2017 GOVERNMENTAL LEASING PROGRAM**

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**FIFTH AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL \_\_, 2017**

---

**THIS FIFTH AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT** (the "Fourth Amendment"), dated April \_\_, 2017 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**, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), of the construction of certain capital improvements and facilities and the leasing thereof to the County, all as more fully described in the County's 2012 Capital Budget and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$30,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated November 19, 2013 (the "Original Equipment Lease" and together with the Original Improvement Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2013 Notes matured on November 19, 2014; and

**WHEREAS**, on November 18, 2014, at the direction of the County, the Commission issued \$60,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing

Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance additional costs of: (i) the Improvement Project, all as more fully described in Exhibit A to the First Amendment to the Improvement Lease and Agreement, dated November 18, 2014, between the Commission and the County (the "First Amendment to the Improvement Lease"), and (ii) the Equipment Project, all as more fully described in Exhibit A to the First Amendment to Equipment Lease and Agreement, dated November 18, 2014, between the Commission and the County (the "First Amendment to the Equipment Lease" and together with the First Amendment to the Improvement Lease, the "First Amendments to Leases"); and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2014 Notes matured on November 18, 2015; and

**WHEREAS**, on November 17, 2015, the Commission issued \$54,905,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (the "Series 2015B-1 Notes") which, together with available funds of the County in the amount of \$5,000,000, refinanced the maturing principal of the Series 2014 Notes and (ii) paid costs of issuance relating to issuance of the Series 2015B-1 Notes; and

**WHEREAS**, in connection with the issuance of the Series 2015B-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Improvement Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Improvement Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Equipment Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Equipment Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2015B-1 Notes matured on May 17, 2016; and

**WHEREAS**, at the direction of the County, on April 27, 2016, the Commission issued its \$27,660,000 principal amount of Lease Revenue Bonds (Governmental Leasing Program), Series 2016 (the "Series 2016 Bonds") which were used to (i) permanently finance a \$30,000,000

portion of the maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016 Bonds; and

**WHEREAS**, in connection with the issuance of the Series 2016 Bonds, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto and the Second Amendment to Improvement Lease and Exhibits A and B thereto, by the Third Amendment to Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto and the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Third Amendment to Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Equipment Project; and

**WHEREAS**, at the direction of the County, on April 27, 2016, the Commission issued its \$24,905,000 in Lease Revenue Notes (Governmental Leasing Program), Series 2016A (the "Series 2016A Notes") which were used to (i) temporarily finance the \$24,905,000 remaining portion of the maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016A Notes; and

**WHEREAS**, in connection with the issuance of the Series 2016A Notes, the Commission and the County amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto, the Second Amendment to Improvement Lease and Exhibits A and B thereto, and by the Fourth Amendment to the Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016A Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto, the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Fourth Amendment to the Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016A Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2016A-1 Notes are scheduled to mature on April 26, 2017; and

**WHEREAS**, at the direction of the County, on April \_\_, 2017, the Commission is issuing \$\_\_\_\_\_ in Lease Revenue Notes (Governmental Leasing Program), Series 2017A (the "Series 2017A Notes") which will be used to (i) temporarily finance the \$24,905,000 principal amount of the maturing Series 2016A-1 Notes and (ii) pay the costs of issuance relating to the Series 2017A Notes; and

**WHEREAS**, in connection with the issuance of the Series 2017A Notes, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto, the Second Amendment to Improvement Lease and Exhibits A and B thereto, by the Fourth Amendment to the Improvement Lease and Exhibits A and B



thereto, and by this Fifth Amendment to the Improvement Lease and Exhibits A and B thereto to provide for the payment by the County of the Basic Rent for the Series 2017A Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto, the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Fourth Amendment to the Equipment Lease and Exhibits A and B thereto, and by this Fifth Amendment to the Equipment Lease and Exhibits A and B thereto to provide for the payment by the County of the Basic Rent for the Series 2017A Notes allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Fourth Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Improvement Lease, as heretofore amended by the First Amendment to Improvement Lease, the Second Amendment to Improvement Lease and the Fourth Amendment to the Improvement Lease, are hereby deleted in their entirety and replaced by the following; provided however that the definitions set forth in the Original Improvement Lease, as amended by the First Amendment to Improvement Lease, the Second Amendment to Improvement Lease and the Third Amendment to the Improvement Lease shall remain operative as to the Series 2016 Bonds:

"Agreement" shall mean, collectively, the Improvement Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Improvement Lease and Agreement, dated November 18, 2014, as further amended by the Second Amendment to the Improvement Lease and Agreement, dated November 17, 2015, as further amended by the Fourth Amendment to the Improvement Lease and Agreement, dated April 27, 2016 and as further amended by this Fifth Amendment to the Improvement Lease and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Improvement Project Allocable Portion" shall mean the \_\_\_% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2016A Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2016A Notes, a fee of \$ \_\_\_\_\_. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$ \_\_\_\_\_.

"Lease Payment Date" shall, with respect to the Series B Bonds issued as the Series 2016A Notes, be determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016A Notes, which date 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 the Series B Bonds issued as the Series 2016A Notes. 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease, as amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease shall be further amended to include the following:

"Fifth Amendment" shall mean this Fifth Amendment to the Improvement Lease and Agreement, dated April \_\_, 2017 executed and delivered by the Commission and the County in connection with the issuance of the Series 2017A Notes.

"Series 2017A Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2017A authorized and issued on April \_\_, 2017 in the aggregate principal amount of \$\_\_\_\_\_ pursuant to Section 203 of the Resolution and all references in the Original Improvement Lease to the "Series 2013 Notes", in the First Amendment to the Improvement Lease to the "Series 2014 Notes", in the Second Amendment to the Improvement Lease to the "Series 2015B-1 Notes," in the Fourth Amendment to the Improvement Lease to the "Series 2016A Notes" shall include the Series 2017A Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Improvement Lease, as heretofore amended and restated by the First Amendment to the Improvement Lease and, the Second Amendment to the Improvement Lease, and the Third Amendment to the Improvement Lease and the Fourth Amendment to the Improvement Lease, is further amended and restated in its entirety to read as follows:

"SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,264,280.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,674,046.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project.

(3) Upon original issuance of the Series B Bonds as Series 2015B-1 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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.

(4) Upon original issuance of the Series B Bonds as Series 2016 Bonds, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$30,000,000 for deposit in the 2016 Obligation Account of the Debt Service Fund to pay a portion of the maturing principal of the Series 2015B-1 Notes.

(5) Upon original issuance of the Series B Bonds as Series 2016A Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$24,905,000 for deposit in the 2016 Obligation Account of the Debt Service Fund to pay the remaining portion of the maturing principal of the Series 2015B-1 Notes.

(6) Upon original issuance of the Series B Bonds as Series 2017A Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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.”

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 5.2, 6.11 and 7.8 of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease, the Fourth Amendment to the Improvement Lease shall include the "Official Statement" for the Series 2017A Notes, dated April \_\_, 2017.

**Section 5. Continuing Disclosure.** A new subsection (e) to Section 6.14 of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease, the Third Amendment to the Improvement Lease the Fourth Amendment to the Improvement Lease, is hereby added to read as follows:

"(f) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated April \_\_, 2017, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2017A 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."

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease and the Fourth Amendment to the Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Fifth Amendment, and all references in the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease and the Fourth Amendment to the Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto; provided however that the information appearing in Exhibit A to the Third Amendment to the Improvement Lease relating to the Series 2016 Bonds shall remain in full force and effect following the execution of this Fifth Amendment to the Improvement Lease.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease and the Fourth Amendment to the Improvement Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Fifth Amendment, and all references in the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease and the Fourth Amendment to the Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto; provided however that the information appearing in Exhibit B to the Third Amendment to the Improvement Lease relating to the Series 2016 Bonds shall remain in full force and effect following the execution of this Fifth Amendment to the Improvement Lease.

**Section 8. Full Force and Effect.** The Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease, the Third Amendment to the Improvement Lease and the Fourth Amendment to the Improvement Lease is hereby further amended to the extent provided in this Fifth Amendment and, except as specifically provided herein, the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease, the Third Amendment to the Improvement Lease and the Fourth Amendment to the Improvement Lease shall remain in full force and effect in accordance with its terms.

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**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE



**APPENDIX E-2**

**2013 Improvement Lease**

**2013 GOVERNMENTAL LEASING PROJECT**

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**IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**COUNTY OF BURLINGTON, NEW JERSEY**

**DATED NOVEMBER 19, 2013**

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THIS IMPROVEMENT LEASE AND AGREEMENT (the "Agreement"), dated November 19, 2013, 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 2012 Capital Budget and in Exhibit A to this Agreement (collectively, the "Improvements"), with a portion of the proceeds of its Lease Revenue Notes (Governmental Leasing Program), Series 2013 in the aggregate principal amount of \$30,000,000 (the "Series 2013 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 B 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 (Governmental Leasing Program), Series 2013", duly adopted June 18, 2013, 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 2013 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 B Bonds initially issued as Series 2013 Notes allocable to the Improvement Project is \$25,161,035.88 (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 B Bonds and the Debt Service (as hereinafter defined) on the Series B 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.

"2013 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 \$55,100,000, 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 B

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 November 19, 2013, 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. 2012-00673 duly adopted by the Board of Chosen Freeholders of the County on December 27, 2012 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 B 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 B 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 B Bonds of the Commission authorized and issued pursuant to Article II of the Resolution, including the Series 2013 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 B 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, the County and the Trustee, acting as dissemination agent, dated November 19, 2013, 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 B 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 B 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 B Bonds; (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 B Bonds, an amount equal to the sum of (i) interest accruing during such period on such Improvement Project Allocable Portion of the Series B 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 B 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 B 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 B 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 B 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, 83.8701% of the par amount of the Series B Bonds issued as Series 2013 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 B Bonds, which, as of the date of execution of this Agreement in connection with the issuance of the Series 2013 Notes, shall be in an amount equal to 0.08% of the par amount of the Series 2013 Notes (\$24,000.00). The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$20,128.83.

"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 B Bonds issued as the Series 2013 Notes, November 19, 2014, or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing an additional Series of Series B 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 B 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 B 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 B 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 June 18, 2013, entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013", as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

"Series B 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 2013 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2013 authorized and issued on November 19, 2013 in the aggregate principal amount of \$30,000,000 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 B 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 B 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 B 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 B 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 2013 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 B 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 B Bonds is equal to at least 100% of the amount of Bond proceeds of the applicable Series of Series B 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 B 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 B 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 B 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 B 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 B Bonds from the gross income of the owners thereof for Federal income taxation purposes.

SECTION 4.2. Issuance of Series B 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 B 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 B 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 B Bonds as Series 2013 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,264,280.00 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 B 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 B 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 B 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 5.07(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 B 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 November 7, 2013 (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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B Bonds.

(c) No part of the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 B 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 B 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 B 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. The Commission and the County each hereby covenant and agree that they will comply with and carry out all of their respective obligations pursuant to the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the Commission and/or the County to comply with their respective obligations pursuant to the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount in Outstanding Series B Bonds, shall) or any Bondholder or Beneficial Owner (as hereinafter defined) may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Commission and/or the County, as the case may be, to comply with its respective obligations under this Section 6.14 and as set forth in the Continuing Disclosure Agreement. For purposes of this Section 6.14, "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 Series B Bonds (including Persons holding Series B Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Series B Bonds for Federal income tax purposes.

## 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 B Bonds or to enable the Commission to make any reports which are required by any law or governmental regulations in connection with the Series B 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 B 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 B 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 B 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 B Bonds.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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: *Kathleen McFusnan*  
Secretary

By: *[Signature]*  
Authorized Commission Representative

(SEAL)

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative



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: *Terry Hubbard*

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Paul Decey*  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

EXHIBIT A

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$39,000,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM, SERIES 2013  
 Exhibit B - Improvement Lease

<i>Participants</i>	<i>County of Burlington</i>	<i>Acquisition Cost</i>
<i>Improvement</i>		
<i>2013 Lease Notes - Project Fund:</i>		
Building and Grounds		\$ 8,471,430
Engineering		16,792,850
	<i>Sub-Total:</i>	\$ 25,264,280

Total Improvement Project Fund \$ 25,264,280

CountryCap\_Note

FINAL

11/19/2013

EXHIBIT B

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$90,000,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2013  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON  
 IMPROVEMENT LEASE

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	Basic Rent Total Annual Amount
11/19/2014	25,161,000.00	1.250%	314,512.50	25,475,512.50	25,475,512.50

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 June 18, 2013, entitled "Resolution of The Burlington County Bridge Commission Authorizing the Issuance of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013", 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 November 19, 2013 (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 Representative  
Name:  
Title:

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



November 19, 2013

Burlington County Bridge Commission  
1300 Route 73 N  
Palmyra, New Jersey 08065

Re: Burlington County Bridge Commission  
\$30,000,000 Lease Revenue Notes  
(Governmental Leasing Project), Series 2013

Dear Commissioners:

We have acted as Bond Counsel in connection with the issuance by the Burlington County Bridge Commission (the "Commission") of its Lease Revenue Notes (Governmental Leasing Project), Series 2013 in the aggregate principal amount of \$30,000,000 (the "Series 2013 Notes"). The Series 2013 Notes are issued pursuant to the provisions of the Self Liquidating Bridges Act, Chapter 17 of the Pamphlet Laws of 1934 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the "Act") and a resolution of the Commission adopted on adopted on June 18, 2013 and entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of General Obligation Lease Revenue Bonds (Governmental Leasing Project), Series 2013 consisting of County Guaranteed Lease Revenue Refunding Bonds and Lease Revenue Bonds or Notes (as the same may be amended and supplemented, the "Resolution"). In accordance with the terms of the Resolution, the Series 2013 Notes have been awarded and sold to the purchaser thereof and certain determinations with respect to the Series 2013 Notes have been made pursuant to a certificate duly executed by an Authorized Commission Officer on November 7, 2013 (the "Series Certificate"), the execution of which was authorized pursuant to the Resolution. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Resolution.

The Series 2013 Notes are dated November 19, 2013, mature on November 19, 2014, bear interest at a rate of 1.25% per annum payable at maturity, and are not subject to redemption prior to maturity. Principal of and interest on the Series 2013 Notes are payable by presentation and surrender thereof at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey (the "Trustee").

The Series 2013 Notes will be initially issued in book-entry form only, in the form of one certificate for the aggregate principal amount of the Series 2013 Notes, registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an-automated depository for securities and clearinghouse for securities transactions. Purchases of the Series 2013 Notes will be made in book-entry-only form (without certificates) in denominations of \$5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Series 2013 Notes, payment of the principal of and interest on the Series 2013 Notes will be made by the Trustee directly to Cede & Co., as nominee for DTC, in immediately available funds when due.

November 19, 2013

Page 2

Disbursal of such payments to the DIC participants is the responsibility of DIC, and disbursal of such payments to the beneficial owners of the Series 2013 Notes is the responsibility of the DIC participants and not the responsibility of the Commission or the Trustee.

The Notes are being issued for the purpose of: (i) providing funds for a portion of the costs of 2013 Capital Improvement Program for the County of Burlington, New Jersey (the "County") involving the construction of various infrastructure improvements (the "Improvements") and the acquisition and installation of various items of capital equipment (the "Equipment" and together with the Improvements, the "2013 Capital Program"); and (ii) paying costs and expenses associated with the issuance of the Notes (collectively the "Project").

The Commission has entered into (i) a Lease and Agreement with the County, dated as of November 19, 2013 with respect to the Improvements (the "Improvement Lease"); and (ii) a Lease and Agreement with the County, dated as of November 19, 2013, with respect to the Equipment (the "Equipment Lease" and together with the Improvement Lease, the "Leases").

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Series 2013 Notes, including among other things: (a) evidence of the formation and organization of the Commission; (b) certified copies of the Resolution, the Series Certificate and the Leases; (c) the Act, the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1 et. seq. and the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"); (d) a certified copy of the results and findings of the New Jersey Local Finance Board; and (e) certificates of Commission officials, County officials and the Trustee as to material factual matters, including a certificate of the Commission pursuant to the federal income tax laws and regulations applicable to the Series 2013 Notes. We have also examined the authenticated Series 2013 Note. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Commission has been duly created and is validly existing as a public body corporate and politic under the provisions of the Constitution and statutes of the State of New Jersey, including the Act, with power to adopt the Resolution and to issue the Series 2013 Notes.

2. The Resolution has been duly and lawfully adopted by the Commission, is in full force and effect, is valid and binding upon the Commission and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Series Certificate has been duly and validly executed by an Authorized Commission Representative.

3. The Series 2013 Notes' have been duly authorized and issued by the Commission in accordance with the Act and the provisions of the Resolution and the Series Certificate, are valid and binding special obligations of the Commission enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the benefits of the Resolution and the Act.

4. The Resolution creates a valid pledge of the Pledged Property held or set aside under the Resolution, subject only to the application thereof by the Commission for the purposes and on the terms and conditions set forth in the Resolution.

5. The Commission and the County have the power and authority to enter into the Leases. The Leases have been duly authorized, executed and delivered by the Commission and the County, and create valid and binding obligations of the Commission and the County, respectively, and such obligations are enforceable in accordance with their respective terms. The County is obligated to make any required payments under the terms of the Leases out of the first funds becoming legally available to the County for this purpose, and to provide the funds for such payments, if not otherwise available, from the levy of *ad valorem* taxes upon all the taxable real property in the County without limitation as to rate or amount.

6. Assuming continuing compliance by the Commission and the Participants with the provisions of the Code pertaining to the issuance of the Series 2013 Notes, interest on the Series 2013 Notes is excludable from gross income of the owners thereof for federal income tax purposes under current law, and will not be a specific preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. For certain corporate holders, interest on the Series 2013 Notes is includable in adjusted current earnings for purposes of computing such holders' alternative minimum tax liability.

7. Interest on the Series 2013 Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally.

Other than as set forth in Paragraphs 6 and 7 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Series 2013 Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Series 2013 Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

EXHIBIT B

CERTIFICATE AS TO AUTHORIZED  
COUNTY REPRESENTATIVE

I, Joseph B. Donnelly, 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. Edward J. Troy is the Treasurer of the County.
2. Paul Drayton, Jr. 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.

Name

Signature

Edward J. Troy

\_\_\_\_\_

Paul Drayton, Jr.

\_\_\_\_\_

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in the Improvement Lease and Agreement dated November 19, 2013 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of November, 2013.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_

Name: Joseph B. Donnelly  
Title: Freeholder Director

**Exhibit B**

[To be provided by Bond Counsel]

**APPENDIX E-3**

**First Amendment to 2013 Improvement Lease**

**2014 GOVERNMENTAL LEASING PROGRAM**

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**FIRST AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED NOVEMBER 18, 2014**

---



**THIS FIRST AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT** (the "First Amendment"), dated November 18, 2014 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**, the Commission and the County executed an Improvement Lease and Agreement dated November 19, 2013 (the "Original Improvement Lease") for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), of the construction of certain capital improvements and facilities and the leasing thereof to the County, all as more fully described in the County's 2012 Capital Budget and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$30,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated November 19, 2013 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2013 Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Series 2013 Notes mature on November 19, 2014; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$60,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance

additional costs of (i) the Improvement Project, all as more fully described in Exhibit A to this First Amendment and (ii) the Equipment Project, all as more fully described in Exhibit A to the First Amendment to Equipment Lease and Agreement, dated November 18, 2014 (the "First Amendment to Equipment Lease"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this First Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Improvement Lease is hereby deleted in its entirety and replaced by the following:

"Agreement" shall mean, collectively, the Improvement Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Improvement Lease and Agreement, dated November \_\_, 2014, and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Improvement Project Allocable Portion" shall mean the 84.523122% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2014 Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2014 Notes, a fee of \$30,000.00. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$25,356.94.

"Lease Payment Date" shall mean with respect to the Series B Bonds issued as the Series 2014 Notes, November 18, 2015, or such other dates determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2014 Notes, which date 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 B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease shall be amended to include the following:

"First Amendment" shall mean this First Amendment to the Improvement Lease and Agreement, dated November 18, 2014.

"Series 2014 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2014 authorized and issued on November 18, 2014 in the aggregate principal amount of \$60,000,000 pursuant to Section 203 of the Resolution and references in the Original Improvement Lease to the "Series 2013 Notes" shall include the Series 2014 Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5 (a) is amended as follows:

"SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,264,280.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,674,046.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project."

**Section 4. References to Official Statement.** References to the term "Official Statement" in Sections 5.2, 6.11 and 7.8 of the Original Improvement Lease shall include the "Official Statement" for the Series 2014 Notes, dated November 6, 2014.

**Section 5. Continuing Disclosure.** A new subsection (b) to Section 6.14 of the Original Improvement Lease is hereby added to read as follows:

"(b) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November 18, 2014, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2014 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."

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this First Amendment, and all references in the Original Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this First Amendment, and all references in the Original Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Improvement Lease is hereby further amended to the extent provided in this First Amendment and, except as specifically provided herein, the Original Improvement Lease shall remain in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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: *Kathleen McIsaac*  
Secretary

By: *[Signature]*  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:  \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

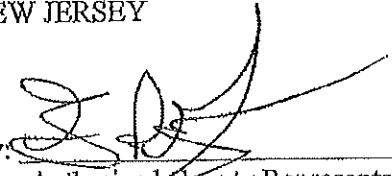
By:  \_\_\_\_\_  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE



**Exhibit C**

[To be provided by Bond Counsel]

**APPENDIX E-4**

**Second Amendment to 2013 Improvement Lease**

**2015 GOVERNMENTAL LEASING PROGRAM**

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**SECOND AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED NOVEMBER 17, 2015**

---

**THIS SECOND AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT** (the "Second Amendment"), dated November 17, 2015 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**, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), of the construction of certain capital improvements and facilities and the leasing thereof to the County, all as more fully described in the County's 2012 Capital Budget and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$30,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated November 19, 2013 (the "Original Equipment Lease" and together with the Original Improvement Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2013 Notes matured on November 19, 2014; and

**WHEREAS**, on November 18, 2014, at the direction of the County, the Commission issued \$60,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing

Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance additional costs of: (i) the Improvement Project, all as more fully described in Exhibit A to the First Amendment to the Improvement Lease and Agreement, dated November 18, 2014, between the Commission and the County (the "First Amendment to the Improvement Lease"), and (ii) the Equipment Project, all as more fully described in Exhibit A to the First Amendment to Equipment Lease and Agreement, dated November 18, 2014, between the Commission and the County (the "First Amendment to the Equipment Lease" and together with the First Amendment to the Improvement Lease, the "First Amendments to Leases"); and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$55,000,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (the "Series 2015B-1 Notes") which, together with available funds of the County in the amount of \$5,000,000, will be used to refinance the maturing principal of the Series 2014 Notes and to finance additional costs of (i) the Improvement Project, all as more fully described in Exhibit A to this Second Amendment and (ii) the Equipment Project, all as more fully described in Exhibit A to the Second Amendment to Equipment Lease and Agreement, dated November , 2015 (the "Second Amendment to the Equipment Lease"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2015B-1 Notes, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as amended by the First Amendment to Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as amended by the First Amendment to Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Second Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, are hereby deleted in their entirety and replaced by the following:

“Agreement” shall mean, collectively, the Equipment Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, as further amended by the Second Amendment to the Equipment Lease and Agreement, dated November 17, 2015, and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

“Equipment Project Allocable Portion” shall mean the 17.23% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2015B-1 Notes.

“Initial Commission Financing Fee” shall mean, for the issuance of the Series 2015B-1 Notes, a fee of \$45,753.98. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$9,708.99.

“Lease Payment Date” shall mean with respect to the Series B Bonds issued as the Series 2015B-1 Notes, May 17, 2016, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2015B-1 Notes, which date 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 B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, shall be amended to include the following:

“Second Amendment” shall mean this Second Amendment to the Equipment Lease and Agreement, dated November 17, 2015 executed and delivered by the Commission and the County in connection with the issuance of the Series 2015B-1 Notes.

“Series 2015B-1 Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 authorized and issued on November 17, 2015 in the aggregate principal amount of \$55,000,000 pursuant to Section 203 of the Resolution and all references in the Original Equipment Lease to the “Series 2013 Notes” and all references in the First Amendment to the Equipment Lease to the “2014 Notes” shall include the Series 2015B-1 Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Equipment Lease, as amended and restated by the First Amendment to the Equipment Lease, is further amended and restated in its entirety to read as follows:

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Improvement Lease, as amended and restated by the First Amendment to the Improvement Lease, is further amended and restated in its entirety to read as follows:

"SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,264,280.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,674,046.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project.

(3) Upon original issuance of the Series B Bonds as Series 2015B-1 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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.

**Section 4. References to Official Statement.** References to the term "Official Statement" in Sections 5.2, 6.11 and 7.8 of the Original Improvement Lease, as amended by the First Amendment to the Improvement Lease, shall include the "Official Statement" for the Series 2015B-1 Notes, dated November 5, 2015.

**Section 5. Continuing Disclosure.** A new subsection (c) to Section 6.14 of the Original Improvement Lease, as amended by the First Amendment to the Improvement Lease, is hereby added to read as follows:

"(c) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November 17, 2015, between the Commission and TD Bank,

National Association, as dissemination agent, relating to the Series 2015B-1 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."

**Section 6. Amendment to Exhibit A.** Exhibit A of the First Amendment to the Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Second Amendment, and all references in the Original Improvement Lease or in the First Amendment to the Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the First Amendment to the Improvement Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Second Amendment, and all references in the Original Improvement Lease or in the First Amendment to the Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Improvement Lease, as amended by the First Amendment to the Improvement Lease, is hereby further amended to the extent provided in this Second Amendment and, except as specifically provided herein, the Original Improvement Lease, as amended by the First Amendment to the Improvement Lease, shall remain in full force and effect in accordance with its terms.

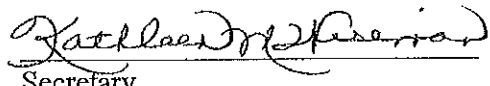
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IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by an Authorized 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

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

Attest:

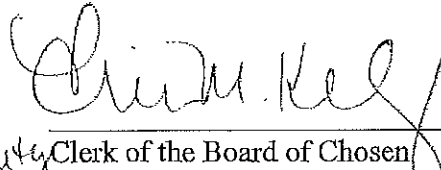
BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:  \_\_\_\_\_  
Deputy Clerk of the Board of Chosen  
Freeholders

By:  \_\_\_\_\_  
Authorized County Representative

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$54,905,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015B-1  
 Exhibit B - Equipment Lease

<i>Participant</i>	<i>County of Burlington</i>			
<u>Equipment</u>		2013 Acquisition Cost	2014 Acquisition Cost	Aggregate Acquisition Cost
<i>2015 Lease Notes - Project Fund:</i>				
Heavy Equipment		\$ 1,495,190.00	\$ 1,446,754.40	\$ 2,941,944.40
Capital Equipment		\$ 1,814,550.00	\$ 1,755,770.17	\$ 3,570,320.17
Radio Systems/Tower Lighting/Misc.		\$ 326,610.00	\$ 316,026.86	\$ 642,636.86
Light Duty Trucks and Sport Utility Vehicles		\$ 1,222,470.00	\$ 1,182,577.45	\$ 2,405,047.45
	<i>Sub-Total:</i>	\$ 4,858,820.00	\$ 4,701,128.88	\$ 9,559,948.88
<i>Total Equipment Project Fund:</i>		\$ 4,858,820.00	\$ 4,701,128.88	\$ 9,559,948.88

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$54,905,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015B-1  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON  
 EQUIPMENT LEASE

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	Basic Rent Total Annual Amount
5/17/2016	9,460,000.00	1.500%	70,950.00	9,530,950.00	9,530,950.00

**Exhibit D**

[To be provided by Bond Counsel]

**APPENDIX E-5**

**Third Amendment to 2013 Improvement Lease**



**2016 GOVERNMENTAL LEASING PROGRAM**

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**THIRD AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL 27, 2016**

---

**THIS THIRD AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT** (the "Third Amendment"), dated April 27, 2016 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**, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), of the construction of certain capital improvements and facilities and the leasing thereof to the County, all as more fully described in the County's 2012 Capital Budget and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$30,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated November 19, 2013 (the "Original Equipment Lease" and together with the Original Improvement Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2013 Notes matured on November 19, 2014; and

**WHEREAS**, on November 18, 2014, at the direction of the County, the Commission issued \$60,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing

Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance additional costs of: (i) the Improvement Project, all as more fully described in Exhibit A to the First Amendment to the Improvement Lease and Agreement, dated November 18, 2014, between the Commission and the County (the "First Amendment to the Improvement Lease"), and (ii) the Equipment Project, all as more fully described in Exhibit A to the First Amendment to Equipment Lease and Agreement, dated November 18, 2014, between the Commission and the County (the "First Amendment to the Equipment Lease" and together with the First Amendment to the Improvement Lease, the "First Amendments to Leases"); and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2014 Notes matured on November 18, 2015; and

**WHEREAS**, on November 17, 2015, the Commission issued \$54,905,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (the "Series 2015B-1 Notes") which, together with available funds of the County in the amount of \$5,000,000, refinanced the maturing principal of the Series 2014 Notes and (ii) paid costs of issuance relating to issuance of the Series 2015B-1 Notes; and

**WHEREAS**, in connection with the issuance of the Series 2015B-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Improvement Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Improvement Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Equipment Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Equipment Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2015B-1 Notes are scheduled to mature on May 17, 2016; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$27,660,000 principal amount of Lease Revenue Bonds (Governmental Leasing Program), Series 2016 (the "Series 2016 Bonds") which will be used to (i) permanently finance a \$30,000,000 portion of the

maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016 Bonds; and

**WHEREAS**, in connection with the issuance of the Series 2016 Bonds, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto and the Second Amendment to Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto and the Second Amendment to Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Third Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Improvement Lease, as heretofore amended by the First Amendment to Improvement Lease and the Second Amendment to the Improvement Lease, are hereby deleted in their entirety and replaced by the following:

"Agreement" shall mean, collectively, the Improvement Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Improvement Lease and Agreement, dated November 18, 2014, as further amended by the Second Amendment to the Improvement Lease and Agreement, dated November 17, 2015, and as further amended by the Third Amendment to the Improvement Lease and Agreement, dated April 27, 2016 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Improvement Project Allocable Portion" shall mean the 80.73% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2016 Bonds.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2016 Bonds, a fee of \$23,049.91. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$18,608.95.

"Lease Payment Date" shall, with respect to the Series B Bonds issued as the Series 2016 Bonds, be determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016 Bonds, which date 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 the

Series B Bonds issued as the Series 2016 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease, shall be further amended to include the following:

"Third Amendment" shall mean the Third Amendment to the Improvement Lease and Agreement, dated April 27, 2016 executed and delivered by the Commission and the County in connection with the issuance of the Series 2016 Bonds.

"Series 2016 Bonds" shall mean the Commission's Lease Revenue Bonds (Governmental Leasing Program), Series 2016 authorized and issued on April 27, 2016 in the aggregate principal amount of \$27,660,000 pursuant to Section 203 of the Resolution and all references in the Original Improvement Lease to the "Series 2013 Notes", in the First Amendment to the Improvement Lease to the "Series 2014 Notes" and in the Second Amendment to the Series 2015B-1 Notes shall include the Series 2016 Bonds.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Improvement Lease, as heretofore amended and restated by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease, is further amended and restated in its entirety to read as follows:

"SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,264,280.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,674,046.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project.

(3) Upon original issuance of the Series B Bonds as Series 2015B-1 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, and (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series B 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.

(4) Upon original issuance of the Series B Bonds as Series 2016 Bonds, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$30,000,000 for deposit in the 2016 Obligation Account of the Debt Service Fund to pay a portion of the maturing principal of the Series 2015B-1 Notes.

**Section 4. References to Official Statement.** References to the term "Official Statement" in Sections 5.2, 6.11 and 7.8 of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease, shall include the "Official Statement" for the Series 2016 Bonds, dated April 14, 2016.

**Section 5. Continuing Disclosure.** In connection with the issuance and delivery of the Series 2016 Bonds, the County will execute and deliver a Continuing Disclosure Certificate pursuant to which the County will agree to provide, at the times and to the persons described in Rule 15c2-12, the annual financial information and certain of the event notices required to be disclosed on a continual basis pursuant thereto.

**Section 6. Amendment to Exhibit A.** Exhibit A of the Second Amendment to the Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Third Amendment, and all references in the Original Improvement Lease or in the Second Amendment to the Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Second Amendment to the Improvement Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Third Amendment, and all references in the Original Improvement Lease or in the Second Amendment to the Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease, is hereby further amended to the extent provided in this Third Amendment and, except as specifically provided herein, the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease, shall remain in full force and effect in accordance with its terms.

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IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Ryna Whentley*  
Clerk of the Board of Chosen  
Freeholders

By:   
Authorized County Representative



EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$27,650,000 LEASE REVENUE BONDS  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON IMPROVEMENT LEASE								
Lease Payment Date	Bond Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2016 Bond Debt Service Funds on Deposit	Basic Rent Total Amount	Basic Rent Total Annual Amount
4/27/2016								
3/1/2017	4/1/2017			897,717.78	897,717.78	(897,717.78)	0.00	
9/1/2017	10/1/2017	62,000.00	3.000%	483,800.00	545,800.00		545,800.00	545,800.00
3/1/2018	4/1/2018			482,870.00	482,870.00		482,870.00	
9/1/2018	10/1/2018	311,000.00	3.000%	482,870.00	793,870.00		793,870.00	1,276,740.00
3/1/2019	4/1/2019			478,205.00	478,205.00		478,205.00	
9/1/2019	10/1/2019	311,000.00	3.000%	478,205.00	789,205.00		789,205.00	1,267,410.00
3/1/2020	4/1/2020			473,540.00	473,540.00		473,540.00	
9/1/2020	10/1/2020	311,000.00	3.000%	473,540.00	784,540.00		784,540.00	1,258,080.00
3/1/2021	4/1/2021			468,875.00	468,875.00		468,875.00	
9/1/2021	10/1/2021	1,145,000.00	5.000%	468,875.00	1,613,875.00		1,613,875.00	2,082,750.00
3/1/2022	4/1/2022			440,250.00	440,250.00		440,250.00	
9/1/2022	10/1/2022	1,201,000.00	5.000%	440,250.00	1,641,250.00		1,641,250.00	2,081,500.00
3/1/2023	4/1/2023			410,225.00	410,225.00		410,225.00	
9/1/2023	10/1/2023	1,263,000.00	5.000%	410,225.00	1,673,225.00		1,673,225.00	2,083,450.00
3/1/2024	4/1/2024			378,650.00	378,650.00		378,650.00	
9/1/2024	10/1/2024	1,325,000.00	5.000%	378,650.00	1,703,650.00		1,703,650.00	2,082,300.00
3/1/2025	4/1/2025			345,525.00	345,525.00		345,525.00	
9/1/2025	10/1/2025	1,391,000.00	5.000%	345,525.00	1,736,525.00		1,736,525.00	2,082,050.00
3/1/2026	4/1/2026			310,750.00	310,750.00		310,750.00	
9/1/2026	10/1/2026	1,465,000.00	5.000%	310,750.00	1,775,750.00		1,775,750.00	2,086,300.00
3/1/2027	4/1/2027			274,125.00	274,125.00		274,125.00	
9/1/2027	10/1/2027	2,465,000.00	5.000%	274,125.00	2,739,125.00		2,739,125.00	3,013,250.00
3/1/2028	4/1/2028			212,500.00	212,500.00		212,500.00	
9/1/2028	10/1/2028	2,590,000.00	5.000%	212,500.00	2,802,500.00		2,802,500.00	3,015,000.00
3/1/2029	4/1/2029			147,750.00	147,750.00		147,750.00	
9/1/2029	10/1/2029	2,720,000.00	4.000%	147,750.00	2,867,750.00		2,867,750.00	3,015,500.00
3/1/2030	4/1/2030			93,350.00	93,350.00		93,350.00	
9/1/2030	10/1/2030	2,830,000.00	4.000%	93,350.00	2,923,350.00		2,923,350.00	3,016,700.00
3/1/2031	4/1/2031			36,750.00	36,750.00		36,750.00	
9/1/2031	10/1/2031	2,940,000.00	2.500%	36,750.00	2,976,750.00		2,976,750.00	3,013,500.00
		22,330,000.00		10,488,247.78	32,818,247.78	(897,717.78)	31,920,530.00	31,920,530.00

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

**BURLINGTON COUNTY BRIDGE COMMISSION**  
**\$27,660,000 LEASE REVENUE BONDS**  
**(GOVERNMENTAL LEASING PROGRAM), SERIES 2016**  
**Exhibit B - Improvement Lease**

*Participant: County of Burlington*

Improvement

2016 Lease Notes - Project Fund:

Building and Grounds

	2016 Bond Issuance	Useful Life
COB ENTRANCE AND INTERIOR UPGRADES	\$2,966,584	10
CONSTRUCTION OF SALT DOME	\$537,205	15
DATA CENTER HVAC REPLACEMENT - 49 RANCO	\$394,415	15
DATA CENTER/CONTINUITY IMPLM. BRIGSS RD	\$234,277	15
DETENTION FACILITY CONSULT/RENOV TO DC	\$109,441	15
HUMAN SERVICES BUILDING MASONRY	\$5,434,210	20
MINOR REPAIRS AND UPGRADES	\$309,144	10
DEMO BW NURSES QUARTER	\$20,762	20

Engineering - Roads

2010 GUIDE RAIL DESIGN PROJECT	\$47,109	15
2011 GUIDE RAIL DESIGN PROJECT	\$97,069	15
2012 HIGHWAY DEPARTMENT MATERIALS	\$241,065	15
2012 STATE FUNDED OVERLAY PROJECT	\$3,652,986	10
BRIDGEBORO ROAD DRAINAGE PROJECT	\$432	30
COUNTY WIDE GUIDE RAIL INVENTORY	\$12,883	15
CR 528 & OLD YORK ROAD ROUNDABOUT	\$574,306	20
CR 541 & SUNSET INTERSECTION	\$7,037	20
MOORESTOWN-MT LAUREL RD/ELBO LANE INT.	\$144,536	20
RIVERTON RD/BRANCH PIKE/PARRY RD INTER.	\$47,673	20
SAFETY PROJECT/LINE STRIPPING 2012-2013	\$1,021,456	10
SOUTH PEMBERTON ROAD, PHASE I	\$1,750,768	20
TAUNTON LAKES ROAD RECONSTRUCTION	\$71,368	20
TRAFFIC SIGNAL UPGRADE & SAFETY PROJECT	\$684,374	10
MOORESTOWN-MT LAUREL RD DRAINAGE (06-D-01)	\$21,403	30

Engineering - Bridges

BRIDGE B4.61 CR 537 - MAIN STREET	\$280,200	30
BRIDGE C2.2 BIKE PATH AT RIVER ROAD	\$3,778	30
BRIDGE C2.2 RIVER ROAD (CR 543)	\$9,225	30
BRIDGE C3.64-JFK WAY OVER MILL CREEK	\$309,479	30
BRIDGE C4.4 CENTERTON OVER RANCOCCAS CREEK	\$16,338	30
BRIDGE C5.88 JENNINGS ROAD	\$10,154	30
BRIDGE C5.98 - REPLACEMENT OF BRIDGE	\$26,085	30
BRIDGE D4.108 WHITE ST. OVER MILL RACE	\$60,887	30
BRIDGE D4.11-BISPHAM ST.	\$1,022,376	30
BRIDGE D4.47-CHURCH ROAD (CR616)	\$1,908,778	30
BRIDGE D4.53 - COUNTER SCOUR MEASURES	\$35,966	30
BRIDGE D5.141 - REPLACEMENT OF BRIDGE	\$51,904	30
BRIDGE E3.11 MONMOUTH ROAD (CR537)	\$83,873	30
BRIDGE E4.25 - BURRS MILL ROAD	\$60,538	30
BRIDGE E4.44 SMITHVILLE ROAD (CR 684)	\$31,961	30
BRIDGE E4.55 HANOVER ST. (CR 616)	\$27,396	30
BRIDGE E4.55 HANOVER ST.(CR 616) REPAIRS	\$82,268	30
BRIDGE F2.28 GEORGETOWN-CHESTERFIELD RD	\$129,010	30
BRIDGE F3.27 CROSHAW ROAD (CR 666)	\$373,709	30
BRIDGE H8.1, CR 542 OVER WADING RIVER	\$166,807	30
D5.99 STOKES ROAD (CR 541) AT SAUPE LAKE	\$16,167	30
BRIDGE H8.31 CR 542	\$129,223	30

Engineering - Misc.

9 MAPLE AVENUE / SITE REMEDIATION	\$107,635	15
EMERGENCY VEHICLE, PHASE II	\$505,252	15
SIGN MANAGEMENT	\$19,529	15
SMITHVILLE TRAFFIC CALMING	\$349,780	15
VEHICLE REPLACEMENT - ENGINEERING	\$5,594	15
RANCOCCAS RD STREETSCAPE	\$15,571	15

Sub-Total: \$24,219,986

Total Improvement Project Fund: Sub-Total: \$24,219,986

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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

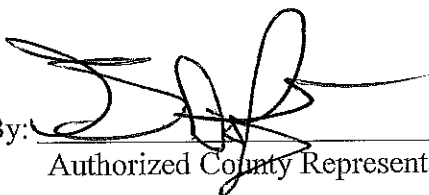
By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Ryna Wheatley*  
Clerk of the Board of Chosen  
Freeholders

By:   
Authorized County Representative

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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: *Richard M. Hiscari*  
Secretary

By: *[Signature]*  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

**Exhibit E**

[To be provided by Bond Counsel]



**APPENDIX E-6**

**Fourth Amendment to 2013 Improvement Lease**

**2016 GOVERNMENTAL LEASING PROGRAM**

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**FOURTH AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL 27, 2016**

---

**THIS FOURTH AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT** (the "Fourth Amendment"), dated April 27, 2016 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**, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), of the construction of certain capital improvements and facilities and the leasing thereof to the County, all as more fully described in the County's 2012 Capital Budget and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$30,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated November 19, 2013 (the "Original Equipment Lease" and together with the Original Improvement Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2013 Notes matured on November 19, 2014; and

**WHEREAS**, on November 18, 2014, at the direction of the County, the Commission issued \$60,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing

Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance additional costs of: (i) the Improvement Project, all as more fully described in Exhibit A to the First Amendment to the Improvement Lease and Agreement, dated November 18, 2014, between the Commission and the County (the "First Amendment to the Improvement Lease"), and (ii) the Equipment Project, all as more fully described in Exhibit A to the First Amendment to Equipment Lease and Agreement, dated November 18, 2014, between the Commission and the County (the "First Amendment to the Equipment Lease" and together with the First Amendment to the Improvement Lease, the "First Amendments to Leases"); and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2014 Notes matured on November 18, 2015; and

**WHEREAS**, on November 17, 2015, the Commission issued \$54,905,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (the "Series 2015B-1 Notes") which, together with available funds of the County in the amount of \$5,000,000, refinanced the maturing principal of the Series 2014 Notes and (ii) paid costs of issuance relating to issuance of the Series 2015B-1 Notes; and

**WHEREAS**, in connection with the issuance of the Series 2015B-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Improvement Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Improvement Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Equipment Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Equipment Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2015B-1 Notes are scheduled to mature on May 17, 2016; and

**WHEREAS**, at the direction of the County, on April 27, 2016, the Commission has issued \$27,660,000 principal amount of Lease Revenue Bonds (Governmental Leasing Program), Series 2016 (the "Series 2016 Bonds") which will be used to (i) permanently finance a

\$30,000,000 portion of the maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016 Bonds; and

**WHEREAS**, in connection with the issuance of the Series 2016 Bonds, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto and the Second Amendment to Improvement Lease and Exhibits A and B thereto, by the Third Amendment to Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto and the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Third Amendment to Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Equipment Project; and

**WHEREAS**, at the direction of the County, on April 27, 2016, the Commission is issuing \$24,905,000 in Lease Revenue Notes (Governmental Leasing Program), Series 2016A (the "Series 2016A Notes") which will be used to (i) temporarily finance the \$24,905,000 remaining portion of the maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016A Notes; and

**WHEREAS**, in connection with the issuance of the Series 2016A Notes, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto, the Second Amendment to Improvement Lease and Exhibits A and B thereto, and by the Fourth Amendment to the Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016A Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto, the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Fourth Amendment to the Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016A Notes allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Fourth Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Improvement Lease, as heretofore amended by the First Amendment to Improvement Lease and the Second Amendment to Improvement Lease, are hereby deleted in their entirety and replaced by the following; provided however that the definitions set forth in the Original Improvement Lease, as amended by the First Amendment to Improvement Lease, the Second

Amendment to Improvement Lease and the Third Amendment to the Improvement Lease shall remain operative as to the Series 2016 Bonds:

"Agreement" shall mean, collectively, the Improvement Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Improvement Lease and Agreement, dated November 18, 2014, as further amended by the Second Amendment to the Improvement Lease and Agreement, dated November 17, 2015, as further amended by the Fourth Amendment to the Improvement Lease and Agreement, dated April 27, 2016 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Improvement Project Allocable Portion" shall mean the 85.98% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2016A Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2016A Notes, a fee of \$20,754.08. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$17,843.43.

"Lease Payment Date" shall, with respect to the Series B Bonds issued as the Series 2016A Notes, be determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016A Notes, which date 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 the Series B Bonds issued as the Series 2016A Notes. 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease, as amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease shall be further amended to include the following:

"Fourth Amendment" shall mean the Fourth Amendment to the Improvement Lease and Agreement, dated April 27, 2016 executed and delivered by the Commission and the County in connection with the issuance of the Series 2016A Notes.

"Series 2016A Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2016A authorized and issued on April 27, 2016 in the aggregate principal amount of \$24,905,000 pursuant to Section 203 of the Resolution and all references in the Original Improvement Lease to the "Series 2013 Notes", in the First Amendment to the Improvement Lease to the "Series 2014 Notes", in the Second Amendment to the Improvement Lease to the "Series 2015B-1 Notes" shall include the Series 2016A Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Improvement Lease, as heretofore amended and restated by the First Amendment to the Improvement Lease and, the Second Amendment to the Improvement Lease, and the Third Amendment to the Improvement Lease, is further amended and restated in its entirety to read as follows:

"SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,264,280.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$25,674,046.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project.

(3) Upon original issuance of the Series B Bonds as Series 2015B-1 Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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.

(4) Upon original issuance of the Series B Bonds as Series 2016 Bonds, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$30,000,000 for deposit in the 2016 Obligation Account of the Debt Service Fund to pay a portion of the maturing principal of the Series 2015B-1 Notes.

(5) Upon original issuance of the Series B Bonds as Series 2016A Notes, the Improvement Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 \$24,905,000 for deposit in the 2016 Obligation Account of the Debt Service Fund to pay the remaining portion of the maturing principal of the Series 2015B-1 Notes.

**Section 4. References to Official Statement.** References to the term "Official Statement" in Sections 5.2, 6.11 and 7.8 of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease, shall include the "Official Statement" for the Series 2016A Notes, dated April 14, 2016.

**Section 5. Continuing Disclosure.** A new subsection (e) to Section 6.14 of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease, and the Third Amendment to the Improvement Lease, is hereby added to read as follows:

"(e) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated April 27, 2016, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2016A 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."

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Fourth Amendment, and all references in the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto; provided however that the information appearing in Exhibit A to the Third Amendment to the Improvement Lease relating to the Series 2016 Bonds shall remain in full force and effect following the execution of this Fourth Amendment to the Improvement Lease.



**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Fourth Amendment, and all references in the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease and the Second Amendment to the Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto; provided however that the information appearing in Exhibit B to the Third Amendment to the Improvement Lease relating to the Series 2016 Bonds shall remain in full force and effect following the execution of this Fourth Amendment to the Improvement Lease.

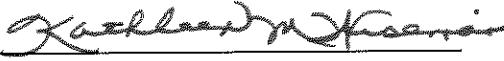
**Section 8. Full Force and Effect.** The Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease, and the Third Amendment to the Improvement Lease is hereby further amended to the extent provided in this Fourth Amendment and, except as specifically provided herein, the Original Improvement Lease, as heretofore amended by the First Amendment to the Improvement Lease, the Second Amendment to the Improvement Lease and the Third Amendment to the Improvement Lease shall remain in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Aina Whately*  
Clerk of the Board of Chosen  
Freeholders

By: *[Signature]*  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$24,905,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016A  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON  
 IMPROVEMENT LEASE

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2016 A Debt Service Funds on Deposit	Basic Rent Total Annual Amount
4/26/2017	21,413,000.00	2.000%	427,070.39	21,840,070.39	(427,070.39)	21,413,000.00

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

BURLINGTON COUNTY BRIDGE COMMISSION

\$24,905,000 LEASE REVENUE NOTES  
(GOVERNMENTAL LEASING PROGRAM), SERIES 2016A  
Exhibit B - Improvement Lease

Participant:	County of Burlington	2013	2014	2015	2016	2016	2016	2016	2016	Aggregate
Improvement:		Acquisition Cost	Acquisition Cost	Acquisition Cost	Bond Issuance	Transfer to DS Account	Note Adjustments			Acquisition Cost
2016 Lease Notes - Project Fund:										
Building and Grounds		\$8,471,430.00	\$8,630,642.75	(\$10,006,039.00)	(\$141,219.30)	\$1,045,185.55	(\$849,284.93)			\$8,000,000.00
Engineering		\$16,792,850.00	\$17,043,403.37	(\$5,000,000.00)	(\$14,213,947.00)	(\$279,134.44)				\$13,493,887.00
		\$25,264,280.00	\$25,674,046.12	(\$5,000,000.00)	(\$24,219,986.00)	(\$420,353.74)				\$21,493,887.00
	<i>Sub-Total:</i>									
	<i>Total Improvement Project Fund:</i>	\$25,264,280.00	\$25,674,046.12	(\$5,000,000.00)	(\$24,219,986.00)	(\$420,353.74)				\$21,493,887.00

**Exhibit F**

[To be provided by Bond Counsel]



**APPENDIX E-7**

**Fifth Amendment to 2013 Equipment Lease (Secures 2017A Notes)**

**2017 GOVERNMENTAL LEASING PROGRAM**

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**FIFTH AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL \_\_, 2017**

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**THIS FIFTH AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "Fifth Amendment"), dated April \_\_, 2017 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**, the Commission and the County executed an Equipment Lease and Agreement dated November 19, 2013 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), 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 2012 Capital Budget and in Exhibit A to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$30,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease" and together with the Original Equipment Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project" and together with the Equipment Project, the "Project"); and

**WHEREAS**, the Series 2013 Notes matured on November 19, 2014; and

**WHEREAS**, on November 18, 2014, at the direction of the County, the Commission issued \$60,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing

Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance additional costs of (i) the Equipment Project all as more fully described in Exhibit A to the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, between the Commission and the County ("The First Amendment to the Equipment Lease") and (ii) the Improvement Project all as more fully described in Exhibit A to the First Amendment to Improvement Lease and Agreement, dated November 18, 2014 (the "First Amendment to Improvement Lease" and together with the First Amendment to the Equipment Lease, the "First Amendments to the Leases"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County further amended certain provisions of (i) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project; and

**WHEREAS**, the Series 2014 Notes matured on November 18, 2015; and

**WHEREAS**, on November 17, 2015, the Commission issued \$54,905,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (the "Series 2015B-1 Notes") which, together with available funds of the County in the amount of \$5,000,000, refinanced the maturing principal of the Series 2014 Notes and (ii) paid costs of issuance relating to issuance of the Series 2015B-1 Notes; and

**WHEREAS**, in connection with the issuance of the Series 2015B-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Improvement Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Improvement Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Equipment Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Equipment Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2015B-1 Notes matured on May 17, 2016; and

**WHEREAS**, at the direction of the County, on April 27, 2016, the Commission issued \$27,660,000 principal amount of Lease Revenue Bonds (Governmental Leasing Program), Series 2016 (the "Series 2016 Bonds") which were used to (i) permanently finance a \$30,000,000

portion of the maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016 Bonds; and

**WHEREAS**, in connection with the issuance of the Series 2016 Bonds, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto and the Second Amendment to Improvement Lease and Exhibits A and B thereto, by the Third Amendment to Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto and the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Third Amendment to Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Equipment Project; and

**WHEREAS**, at the direction of the County, on April 27, 2016, the Commission issued \$24,905,000 in Lease Revenue Notes (Governmental Leasing Program), Series 2016A (the "Series 2016A Notes") which will be used to (i) temporarily finance the \$24,905,000 remaining portion of the maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016A Notes; and

**WHEREAS**, in connection with the issuance of the Series 2017A Notes, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto, the Second Amendment to Improvement Lease and Exhibits A and B thereto, and by the Fourth Amendment to the Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2017A Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto, the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Fourth Amendment to the Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2017A Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2016A-1 Notes are scheduled to mature on April 26, 2017; and

**WHEREAS**, at the direction of the County, on April \_\_, 2017, the Commission is issuing \$ \_\_\_\_\_ in Lease Revenue Notes (Governmental Leasing Program), Series 2017A (the "Series 2017A Notes") which will be used to (i) temporarily finance the \$24,905,000 principal amount of the maturing Series 2016A-1 Notes and (ii) pay the costs of issuance relating to the Series 2017A Notes; and

**WHEREAS**, in connection with the issuance of the Series 2017A Notes, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto, the Second Amendment to Improvement Lease and Exhibits

A and B thereto, by the Fourth Amendment to the Improvement Lease and Exhibits A and B thereto, and by this Fifth Amendment to the Improvement Lease and Exhibits A and B thereto to provide for the payment by the County of the Basic Rent for the Series 2017A Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto, the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Fourth Amendment to the Equipment Lease and Exhibits A and B thereto, and by this Fifth Amendment to the Equipment Lease and Exhibits A and B thereto to provide for the payment by the County of the Basic Rent for the Series 2017A Notes allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Fourth Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease, as heretofore amended by the First Amendment to Equipment Lease and the Second Amendment to Equipment Lease, are hereby deleted in their entirety and replaced by the following; provided however that the definitions set forth in the Original Equipment Lease, as amended by the First Amendment to Equipment Lease, the Second Amendment to Equipment Lease and the Third Amendment to the Equipment Lease shall remain operative as to the Series 2016 Bonds:

“Agreement” shall mean, collectively, the Equipment Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, as amended by the Second Amendment to the Equipment Lease and Agreement, dated November 17, 2015, as further amended by the Third and Fourth Amendments to the Equipment Lease and Agreement, dated April 27, 2016 and as further amended by this Fifth Amendment to the Equipment Leases, any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

“Equipment Project Allocable Portion” shall mean the \_\_\_% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2017A Notes.

“Initial Commission Financing Fee” shall mean, for the issuance of the Series 2017A Notes, a fee of \$\_\_\_\_\_. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$\_\_\_\_\_.

“Lease Payment Date” shall, with respect to the Series B Bonds issued as the Series 2017A Notes, be determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016 Bonds, which date 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

B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease, as heretofore amended by the First Amendment to Equipment Lease, the Second Amendment to Equipment Lease, and the Third Amendment to the Equipment Lease shall be amended to include the following:

“Fifth Amendment” shall mean this Fifth Amendment to the Equipment Lease and Agreement, dated April \_\_, 2017 executed and delivered by the Commission and the County in connection with the issuance of the Series 2017A Notes.

“Series 2017A Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2017A authorized and issued on April \_\_, 2017 in the aggregate principal amount of \$ \_\_\_\_\_ pursuant to Section 203 of the Resolution and all references in the Original Equipment Lease to the “Series 2013 Notes” and all references in the First Amendment to the Equipment Lease to the “2014 Notes”, and all references in the Second Amendment to the Equipment Lease to the “Series 2015B-1 Notes” and all references in the Fourth Amendment to the Equipment Lease to the “Series 2016A-1 Notes shall include the Series 2017A Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Equipment Lease, as heretofore amended by the First Amendment to Equipment Lease, the Second Amendment to Equipment Lease, the Third Amendment to the Equipment Lease and the Fourth Amendment to the Equipment Lease is further amended and restated in its entirety to read as follows:

“SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,735,720.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the initial Costs of the Equipment Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,701,129.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

(3) Upon original issuance of the Series B Bonds as Series 2015B-1 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.

(4) Upon original issuance of the Series B Bonds as Series 2016 Bonds, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.



(5) Upon original issuance of the Series B Bonds as Series 2016A Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.

(6) Upon original issuance of the Series B Bonds as Series 2017A Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.”

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 5.2, 6.11 and 7.8 of the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease, and the Fourth Amendment to the Equipment Lease shall include the "Official Statement" for the Series 2017A Notes, dated April \_\_, 2017.

**Section 5. Continuing Disclosure.** A new subsection (e) to Section 5.14 of the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease, the Third Amendment to the Equipment Lease and the Fourth Amendment to the Equipment Lease, is hereby added to read as follows:

“(e) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated April \_\_, 2017, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2017A 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.”

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease and the Fourth Amendment to the Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Fifth Amendment, and all references in the

Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease and the Fourth Amendment to the Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto; provided however that the information appearing in Exhibit A to the Third Amendment to the Equipment Lease relating to the Series 2016 Bonds shall remain in full force and effect following the execution of this Fifth Amendment to the Equipment Lease.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease and the Fourth Amendment to the Equipment Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Fifth Amendment, and all references in the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease and the Fourth Amendment to the Equipment Lease to Exhibit B shall be references to Exhibit B attached hereto; provided however that the information appearing in Exhibit B to the Third Amendment to the Equipment Lease relating to the Series 2016 Bonds shall remain in full force and effect following the execution of this Fifth Amendment to the Equipment Lease.

**Section 8. Full Force and Effect.** The Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease and the Third Amendment to the Equipment Lease, is hereby amended to the extent provided in this Fourth Amendment and, except as specifically provided herein, the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease, the Third Amendment to the Equipment Lease and the Fourth Amendment to the Equipment Lease, shall remain in full force and effect in accordance with its terms.

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**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

**APPENDIX E-8**

**2013 Equipment Lease**

2013 GOVERNMENTAL LEASING PROJECT

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EQUIPMENT LEASE AND AGREEMENT

BETWEEN

BURLINGTON COUNTY BRIDGE COMMISSION

AND

COUNTY OF BURLINGTON, NEW JERSEY

DATED NOVEMBER 19, 2013

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2013 GOVERNMENTAL LEASING PROJECT

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EQUIPMENT LEASE AND AGREEMENT

BETWEEN

BURLINGTON COUNTY BRIDGE COMMISSION

AND

COUNTY OF BURLINGTON, NEW JERSEY

DATED NOVEMBER 19, 2013

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THE COUNTY

THIS EQUIPMENT LEASE AND AGREEMENT (the "Agreement"), dated November 19, 2013, 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 2012 Capital Budget and in Exhibit B to this Agreement (collectively, the "Equipment"), with a portion of the proceeds of its Lease Revenue Notes (Governmental Leasing Program), Series 2013 in the aggregate principal amount of \$30,000,000 (the "Series 2013 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 B 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 (Governmental Leasing Program), Series 2013", duly adopted June 18, 2013, 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 2013 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 B Bonds initially issued as Series 2013 Notes allocable to the Equipment Project is \$4,838,964.12 (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 B Bonds and the Debt Service (as hereinafter defined) on the Series B 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.

"2013 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 \$55,100,000, 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 B 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 November 19, 2013, 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. 2012-00673 duly adopted by the Board of Chosen Freeholders of the County on December 27, 2012 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 B 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 B 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 B 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 B Bonds of the Commission authorized and issued pursuant to Article II of the Resolution, including the Series 2013 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 B 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, the County and the Trustee, acting as dissemination agent, dated November 19, 2013, 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 B 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 B 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 Series B Bonds; (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 B Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Equipment Project Allocable Portion of the Series B 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 B 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 B 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 B Bonds, including the Series 2013 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 B 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 16.1299% of the par amount of the Series B Bonds.

"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 B 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 B Bonds, which shall be in an amount equal to 0.08% of the par amount of the Series B Bonds. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$3,871.17.

"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 B Bonds Issued as Series 2013 Notes, November 19, 2014 or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Series B 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 B 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 June 18, 2013, entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013", as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

"Series B 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 2013 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2013 authorized and issued on November 19, 2013 in the aggregate principal amount of \$30,000,000 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 B 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 B 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 B Bonds and in accordance with the time periods and percentages specified in Section 2.3(a) hereof such that the Series B 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 B 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 B 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 B 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 B 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 B 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 B 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 B (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 B Bonds, the Equipment Project Allocable Portion of the Series 2013 B 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 B 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 B 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 B 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 B 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 B 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 B 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 November 7, 2013 (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 B 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 a 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B Bonds used to finance the Equipment Project are secured by any interest in property used or to be used for a private business use 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 B 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 B 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 B Bonds.

(c) No part of the Equipment Project Allocable Portion of the proceeds of the Series B 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 B 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 B 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 B 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 B-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 B 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. The Commission and the County each hereby covenant and agree that they will comply with and carry out all of their respective obligations pursuant to the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the Commission and/or the County to comply with their respective obligations pursuant to the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount in Outstanding Series B Bonds, shall) or any Bondholder or Beneficial Owner (as hereinafter defined) may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Commission and/or the County, as the case may be, to comply with its respective obligations under this Section 5.14 and as set forth in the Continuing Disclosure Agreement. For purposes of this Section 5.14, "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 Series B Bonds (including Persons holding Series B Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Series B Bonds for Federal income tax purposes.

## 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 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 2013 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 B 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 B Bonds is equal to at least 100% of the amount of Bond proceeds of the applicable Series of Series B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 B 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 VII 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 B 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 B Bonds.

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

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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:

*Richard J. [Signature]*  
Secretary

By:

*[Signature]*  
Authorized Commission Representative

(SEAL)

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:

\_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By:

\_\_\_\_\_  
Authorized County Representative

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: *Terry Hubbell*

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Paul D'Arcy*  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

EXHIBIT A

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$30,000,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM, SERIES 2013)  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON  
 EQUIPMENT LEASE

Lease Payment Date	Basic Rent Principed Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	Basic Rent Total Amount
11/19/2014	4,839,000.00	1.250%	60,487.50	4,899,487.50	4,899,487.50

County Cap Note

FINAL

11/18/2013

EXHIBIT B



BURLINGTON COUNTY BRIDGE COMMISSION  
 336,000,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2013  
 Exhibit B - Equipment Lease

Particulars	County of Burlington	Acquisition Cost
<u>2013 Lease Notes - Project Fund:</u>		
Heavy Equipment	\$	1,495,190
Capital Equipment		1,814,550
Radio Systems/Tower Lighting/Air-		325,610
Light Duty Trucks and Sport Utility Vehicles		1,222,470
	<u>Sub-Total:</u>	<u>4,858,820</u>

Total Equipment Project Fund: \$ 4,858,820

EXHIBIT C

ACCEPTANCE CERTIFICATE  
Requisition Ref. No. 2013- \_\_\_\_\_

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 November \_\_, 2013 (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(e) 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. 2013- \_\_\_\_\_

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 November \_\_\_\_, 2013 (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 E, 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 Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

EXHIBIT E

REQUISITION FOR PAYMENTS FROM EQUIPMENT PROJECT ACCOUNT OF PROJECT FUND

(Requisition Ref. No. 2013-\_\_\_\_\_)

(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 (Governmental Leasing Program), Series 2013", duly adopted June 18, 2013 (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 November \_\_\_\_, 2013 (the "Agreement")):

1. This requisition is Requisition Ref. No. 2013-\_\_\_\_\_.

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. Edward J. Troy is the Treasurer of the County.
2. Marc Krassan is the Chief Financial Officer of the County.
3. Paul Drayton, Jr. 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>
Edward J. Troy	_____
Marc Krassan	_____
Paul Drayton, Jr.	_____

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in an Equipment Lease and Agreement dated November \_\_, 2013 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 November, 2013.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Name: Joseph B. Donnelly  
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 November \_\_, 2013 (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);

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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).

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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

By: \_\_\_\_\_  
Authorized Commission Representative  
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

Capehart & Scatchard, P.A.  
Mount Laurel, New Jersey

[Underwriter]  
[Address]

Re: The Burlington County Bridge Commission  
\$ \_\_\_\_\_ Lease Revenue Bonds (Governmental Leasing Project), Series 2013

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 November \_\_\_\_, 2013 (the "Lease"), between the Burlington County Bridge Commission (the "Commission") and the County and the adoption on December 27, 2012 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.

Very truly yours,

**Exhibit F**

[To be provided by Bond Counsel]

**APPENDIX E-9**

**First Amendment to 2013 Equipment Lease**



**2014 GOVERNMENTAL LEASING PROGRAM**

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**FIRST AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED NOVEMBER 18, 2014**

---

**THIS FIRST AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "First Amendment"), dated November 18, 2014 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**, the Commission and the County executed an Equipment Lease and Agreement dated November 19, 2013 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), 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 2012 Capital Budget and in Exhibit A to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$30,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Series 2013 Notes mature on November 19, 2014; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$60,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance

additional costs of (i) the Equipment Project all as more fully described in Exhibit A to this First Amendment and (ii) the Improvement Project all as more fully described in Exhibit A to the First Amendment to Improvement Lease and Agreement, dated November 18, 2014 (the "First Amendment to Improvement Lease"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County desire to amend certain provisions of (i) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this First Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease are hereby deleted in their entirety and replaced by the following:

"Agreement" shall mean, collectively, the Equipment Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Equipment Project Allocable Portion" shall mean the 15.476878% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2014 Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2014 Notes, a fee of \$30,000.00. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$4,643.06.

"Lease Payment Date" shall mean with respect to the Series B Bonds issued as the Series 2014 Notes, November 18, 2015, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2014 Notes, which date 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 B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease shall be amended to include the following:

“First Amendment” shall mean this First Amendment to the Equipment Lease and Agreement, dated November 18, 2014.

“Series 2014 Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2014 authorized and issued on November 18, 2014 in the aggregate principal amount of \$60,000,000 pursuant to Section 203 of the Resolution and references in the Original Equipment Lease to the “Series 2013 Notes” shall include the Series 2014 Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5 (a) is amended as follows:

“SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,735,720.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the initial Costs of the Equipment Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,701,129.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.”

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 3.2 and 5.11 of the Original Equipment Lease shall include the “Official Statement” for the Series 2014 Notes, dated November 6, 2014.

**Section 5. Continuing Disclosure.** A new subsection (b) to Section 6.14 of the Original Equipment Lease is hereby added to read as follows:

“(b) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November 18, 2014, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2014 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.”

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this First Amendment, and all references in the Original Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this First Amendment, and all references in the Original Equipment Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Equipment Lease is hereby amended to the extent provided in this First Amendment and, except as specifically provided herein, the Original Equipment Lease shall remain in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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: Kuzleed M. Kisanavi  
Secretary

By: [Signature]  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

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

Attest:

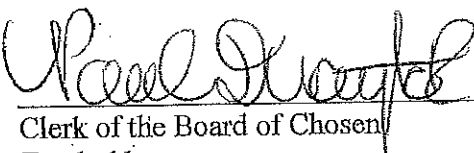
BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:   
Clerk of the Board of Chosen  
Freeholders

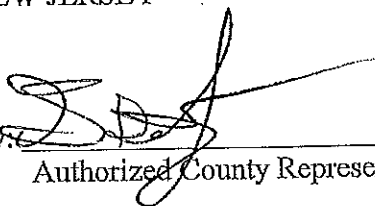
By:   
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT



EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

**Exhibit G**

[To be provided by Bond Counsel]

**APPENDIX E-10**

**Second Amendment to 2013 Equipment Lease**

**2015 GOVERNMENTAL LEASING PROGRAM**

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**SECOND AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED NOVEMBER 17, 2015**

---

**THIS SECOND AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "Second Amendment"), dated November 17, 2015 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**, the Commission and the County executed an Equipment Lease and Agreement dated November 19, 2013 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), 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 2012 Capital Budget and in Exhibit A to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$30,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease" and together with the Original Equipment Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project" and together with the Equipment Project, the "Project"); and

**WHEREAS**, the Series 2013 Notes matured on November 19, 2014; and

**WHEREAS**, on November 18, 2014, at the direction of the County, the Commission issued \$60,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing

Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance additional costs of (i) the Equipment Project all as more fully described in Exhibit A to the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, between the Commission and the County ("The First Amendment to the Equipment Lease") and (ii) the Improvement Project all as more fully described in Exhibit A to the First Amendment to Improvement Lease and Agreement, dated November 18, 2014 (the "First Amendment to Improvement Lease" and together with the First Amendment to the Equipment Lease, the "First Amendments to the Leases"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County further amended certain provisions of (i) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project; and

**WHEREAS**, at the direction of the County, the Commission is issuing its \$55,000,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (the "Series 2015B-1 Notes") to refinance, together with a \$5,000,000 payment from the County of Burlington, the maturing principal of the Series 2014 Notes; and

**WHEREAS**, in connection with the issuance of the Series 2015B-1 Notes, the Commission and the County desire to further amend certain provisions of (i) the Original Equipment Lease and Exhibits A and B thereto, as amended by the First Amendment to Equipment Lease and Exhibits A and B thereto by the execution of this Second Amendment to Equipment Lease, to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as amended by the First Amendment to Improvement Lease and Exhibits A and B thereto by the execution of a certain Second Amendment to Improvement Lease and Agreement, dated November , 2015 (the "Second Amendment to the Improvement Lease" and together with the Second Amendment to the Equipment Lease, the "Second Amendments to the Leases"), to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this First Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, are hereby deleted in their entirety and replaced by the following:

“Agreement” shall mean, collectively, the Equipment Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, as further amended by the Second Amendment to the Equipment Lease and Agreement, dated November 17, 2015, and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

“Equipment Project Allocable Portion” shall mean the 17.23% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2015B-1 Notes.

“Initial Commission Financing Fee” shall mean, for the issuance of the Series 2015B-1 Notes, a fee of \$45,753.98. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$9,708.99.

“Lease Payment Date” shall mean with respect to the Series B Bonds issued as the Series 2015B-1 Notes, May 17, 2016, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2015B-1 Notes, which date 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 B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, shall be amended to include the following:

“Second Amendment” shall mean this Second Amendment to the Equipment Lease and Agreement, dated November 17, 2015 executed and delivered by the Commission and the County in connection with the issuance of the Series 2015B-1 Notes.

“Series 2015B-1 Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 authorized and issued on November 17, 2015 in the aggregate principal amount of \$55,000,000 pursuant to Section 203 of the Resolution and all references in the Original Equipment Lease to the “Series 2013 Notes” and all references in the First Amendment to the Equipment Lease to the “2014 Notes” shall include the Series 2015B-1 Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Equipment Lease, as amended and restated by the First Amendment to the Equipment Lease, is further amended and restated in its entirety to read as follows:

“SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,735,720.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the initial Costs of the Equipment Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,701,129.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

(3) Upon original issuance of the Series B Bonds as Series 2015B-1 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 3.2 and 5.11 of the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, shall include the “Official Statement” for the Series 2015B-1 Notes, dated November 5, 2015.

**Section 5. Continuing Disclosure.** A new subsection (c) to Section 6.14 of the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, is hereby added to read as follows:

“(c) . In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November 17, 2015, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2015B-1 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.”

**Section 6. Amendment to Exhibit A.** Exhibit A of the First Amendment to the Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Second Amendment, and all references in the Original Equipment Lease or in the First Amendment to the Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the First Amendment to the Equipment Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Second Amendment, and all references in the Original Equipment Lease or in the First Amendment to the Equipment Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, is hereby amended to the extent provided in this Second Amendment and, except as specifically provided herein, the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, shall remain in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: Chris M. Kelly  
Deputy Clerk of the Board of Chosen  
Freeholders

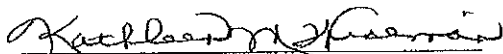
By: Mary Ann S. O'Brien  
Authorized County Representative

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:

\_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By:

\_\_\_\_\_  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$54,905,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015B-1  
 Exhibit B - Improvement Lease

Participant:	County of Burlington	Improvement				Aggregate Acquisition Cost
		2013 Acquisition Cost	2014 Acquisition Cost	2015 Acquisition Cost		
<u>2015 Lease Notes - Project Fund:</u>						
Building and Grounds		\$ 8,471,430.00	\$ 8,630,642.75		\$	\$ 17,102,072.75
Engineering		\$ 16,792,850.00	\$ 17,043,403.37		\$	\$ 28,836,253.37
	<i>Sub-Total:</i>	\$ 25,264,280.00	\$ 25,674,046.12		\$	\$ 45,938,326.12

<i>Total Improvement Project Fund:</i>	\$	25,264,280.00	\$	25,674,046.12	\$	(5,000,000.00)	\$	45,938,326.12
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EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$54,905,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM, SERIES 2015B-1  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON  
 IMPROVEMENT LEASE

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	Basic Rent Total Annual Amount
5/17/2016	45,445,000.00	1.500%	340,837.50	45,785,837.50	45,785,837.50

**Exhibit H**

[To be provided by Bond Counsel]



**APPENDIX E-11**

**Third Amendment to 2013 Equipment Lease**

**2016 GOVERNMENTAL LEASING PROGRAM**

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**THIRD AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL 27, 2016**

---

**THIS THIRD AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "Third Amendment"), dated April 27, 2016 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**, the Commission and the County executed an Equipment Lease and Agreement dated November 19, 2013 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), 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 2012 Capital Budget and in Exhibit A to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$30,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease" and together with the Original Equipment Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project" and together with the Equipment Project, the "Project"); and

**WHEREAS**, the Series 2013 Notes matured on November 19, 2014; and

**WHEREAS**, on November 18, 2014, at the direction of the County, the Commission issued \$60,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing

Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance additional costs of (i) the Equipment Project all as more fully described in Exhibit A to the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, between the Commission and the County ("The First Amendment to the Equipment Lease") and (ii) the Improvement Project all as more fully described in Exhibit A to the First Amendment to Improvement Lease and Agreement, dated November 18, 2014 (the "First Amendment to Improvement Lease" and together with the First Amendment to the Equipment Lease, the "First Amendments to the Leases"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County further amended certain provisions of (i) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project; and

**WHEREAS**, the Series 2014 Notes matured on November 18, 2015; and

**WHEREAS**, on November 17, 2015, the Commission issued \$54,905,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (the "Series 2015B-1 Notes") which, together with available funds of the County in the amount of \$5,000,000, refinanced the maturing principal of the Series 2014 Notes and (ii) paid costs of issuance relating to issuance of the Series 2015B-1 Notes; and

**WHEREAS**, in connection with the issuance of the Series 2015B-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Equipment Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Equipment Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Equipment Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Improvement Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Equipment Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project; and

**WHEREAS**, the Series 2015B-1 Notes are scheduled to mature on May 17, 2016; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$27,660,000 principal amount of Lease Revenue Bonds (Governmental Leasing Program), Series 2016 (the "Series 2016 Bonds") which will be used to (i) permanently finance a \$30,000,000 portion of the

maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016 Bonds; and

**WHEREAS**, in connection with the issuance of the Series 2016 Bonds, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto and the Second Amendment to Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto and the Second Amendment to Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Third Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease and Second Amendment to the Equipment Lease, are hereby deleted in their entirety and replaced by the following:

“Agreement” shall mean, collectively, the Equipment Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, as amended by the Second Amendment to the Equipment Lease and Agreement, dated November 17, 2015, as further amended by the Third Amendment to the Equipment Lease and Agreement, dated April , 2016 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

“Equipment Project Allocable Portion” shall mean the 19.27% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2016 Bonds.

“Initial Commission Financing Fee” shall mean, for the issuance of the Series 2016 Bonds, a fee of \$23,049.91. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$4,440.96.

“Lease Payment Date” shall, with respect to the Series B Bonds issued as the Series 2016 Bonds, be determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016 Bonds, which date 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

B Bonds issued as the Series 2016 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease, shall be amended to include the following:

“Third Amendment” shall mean this Third Amendment to the Equipment Lease and Agreement, dated April 27, 2016 executed and delivered by the Commission and the County in connection with the issuance of the Series 2016 Bonds.

“Series 2016 Bonds” shall mean the Commission’s Lease Revenue Bonds (Governmental Leasing Program), Series 2016 authorized and issued on April 27, 2016 in the aggregate principal amount of \$27,660,000 pursuant to Section 203 of the Resolution and all references in the Original Equipment Lease to the “Series 2013 Notes” and all references in the First Amendment to the Equipment Lease to the “2014 Notes”, and all references in the Second Amendment to the Equipment Lease to the “Series 2015B-1 Notes” shall include the Series 2016 Bonds.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Equipment Lease, as amended and restated by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease, is further amended and restated in its entirety to read as follows:

“SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,735,720.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the initial Costs of the Equipment Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,701,129.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

(3) Upon original issuance of the Series B Bonds as Series 2015B-1 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, and (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.

(4) Upon original issuance of the Series B Bonds as Series 2016 Bonds, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$30,000,000 for deposit in the 2016 Obligation Account of the Debt Service Fund to pay a portion of the maturing principal of the Series 2015B-1 Notes.”

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 3.2 and 5.11 of the Original Equipment Lease, as amended by the First Amendment to the Improvement Lease and the Second Amendment to the Equipment Lease, shall include the “Official Statement” for the Series 2016 Bonds, dated April 14, 2016.

**Section 5. Continuing Disclosure.** In connection with the issuance and delivery of the Series 2016 Bonds, the County will execute and deliver a Continuing Disclosure Certificate pursuant to which the County will agree to provide, at the times and to the persons described in Rule 15c2-12, the annual financial information and certain of the event notices required to be disclosed on a continual basis pursuant thereto.

**Section 6. Amendment to Exhibit A.** Exhibit A of the Second Amendment to the Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Third Amendment, and all references in the Original Equipment Lease or in the Second Amendment to the Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Second Amendment to the Equipment Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Third Amendment, and all references in the Original Equipment Lease or in the Second Amendment to the Equipment Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Equipment Lease, as amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease, is hereby amended to the extent provided in this Third Amendment and, except as specifically provided herein, the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease, shall remain in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Amy Whentley*  
Clerk of the Board of Chosen  
Freeholders

By: *[Signature]*  
Authorized County Representative

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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:

Kathleen M. Ferreri

Secretary

By:

[Signature]

Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:

\_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By:

\_\_\_\_\_  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$27,660,000 LEASE REVENUE BONDS  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON AGGREGATE LEASE PAYMENTS								
Lease Payment Date	Bond Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2016 Bond Debt Service Funds on Deposit	Basic Rent Total Amount	Basic Rent Total Annual Amount
4/27/2016								
3/1/2017	4/1/2017			1,133,744.44	1,133,744.44	(1,133,744.44)	0.00	
9/1/2017	10/1/2017	100,000.00	3.000%	611,000.00	711,000.00		711,000.00	711,000.00
3/1/2018	4/1/2018			609,500.00	609,500.00		609,500.00	
9/1/2018	10/1/2018	500,000.00	3.000%	609,500.00	1,109,500.00		1,109,500.00	1,719,000.00
3/1/2019	4/1/2019			602,000.00	602,000.00		602,000.00	
9/1/2019	10/1/2019	500,000.00	3.000%	602,000.00	1,102,000.00		1,102,000.00	1,704,000.00
3/1/2020	4/1/2020			594,500.00	594,500.00		594,500.00	
9/1/2020	10/1/2020	500,000.00	3.000%	594,500.00	1,094,500.00		1,094,500.00	1,689,000.00
3/1/2021	4/1/2021			587,000.00	587,000.00		587,000.00	
9/1/2021	10/1/2021	1,840,000.00	5.000%	587,000.00	2,427,000.00		2,427,000.00	3,014,000.00
3/1/2022	4/1/2022			541,000.00	541,000.00		541,000.00	
9/1/2022	10/1/2022	1,930,000.00	5.000%	541,000.00	2,471,000.00		2,471,000.00	3,012,000.00
3/1/2023	4/1/2023			492,750.00	492,750.00		492,750.00	
9/1/2023	10/1/2023	2,030,000.00	5.000%	492,750.00	2,522,750.00		2,522,750.00	3,015,500.00
3/1/2024	4/1/2024			442,000.00	442,000.00		442,000.00	
9/1/2024	10/1/2024	2,130,000.00	5.000%	442,000.00	2,572,000.00		2,572,000.00	3,014,000.00
3/1/2025	4/1/2025			388,750.00	388,750.00		388,750.00	
9/1/2025	10/1/2025	2,235,000.00	5.000%	388,750.00	2,623,750.00		2,623,750.00	3,012,500.00
3/1/2026	4/1/2026			332,875.00	332,875.00		332,875.00	
9/1/2026	10/1/2026	2,350,000.00	5.000%	332,875.00	2,682,875.00		2,682,875.00	3,015,750.00
3/1/2027	4/1/2027			274,125.00	274,125.00		274,125.00	
9/1/2027	10/1/2027	2,465,000.00	5.000%	274,125.00	2,739,125.00		2,739,125.00	3,013,250.00
3/1/2028	4/1/2028			212,500.00	212,500.00		212,500.00	
9/1/2028	10/1/2028	2,590,000.00	5.000%	212,500.00	2,802,500.00		2,802,500.00	3,015,000.00
3/1/2029	4/1/2029			147,750.00	147,750.00		147,750.00	
9/1/2029	10/1/2029	2,720,000.00	4.000%	147,750.00	2,867,750.00		2,867,750.00	3,015,500.00
3/1/2030	4/1/2030			93,350.00	93,350.00		93,350.00	
9/1/2030	10/1/2030	2,830,000.00	4.000%	93,350.00	2,923,350.00		2,923,350.00	3,016,700.00
3/1/2031	4/1/2031			36,750.00	36,750.00		36,750.00	
9/1/2031	10/1/2031	2,940,000.00	2.500%	36,750.00	2,976,750.00		2,976,750.00	3,013,500.00
		27,660,000.00		12,454,444.44	40,114,444.44	(1,133,744.44)	38,980,700.00	38,980,700.00

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$27,660,000 LEASE REVENUE BONDS  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON EQUIPMENT LEASE								
Lease Payment Date	Bond Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2016 Bond Debt Service Funds on Deposit	Basic Rent Total Amount	Basic Rent Total Annual Amount
4/27/2016								
3/1/2017	4/1/2017			236,026.67	236,026.67	(236,026.67)	0.00	
9/1/2017	10/1/2017	38,000.00	3.000%	127,200.00	165,200.00		165,200.00	165,200.00
3/1/2018	4/1/2018			126,630.00	126,630.00		126,630.00	
9/1/2018	10/1/2018	189,000.00	3.000%	126,630.00	315,630.00		315,630.00	442,260.00
3/1/2019	4/1/2019			123,795.00	123,795.00		123,795.00	
9/1/2019	10/1/2019	189,000.00	3.000%	123,795.00	312,795.00		312,795.00	436,590.00
3/1/2020	4/1/2020			120,960.00	120,960.00		120,960.00	
9/1/2020	10/1/2020	189,000.00	3.000%	120,960.00	309,960.00		309,960.00	430,920.00
3/1/2021	4/1/2021			118,125.00	118,125.00		118,125.00	
9/1/2021	10/1/2021	695,000.00	5.000%	118,125.00	813,125.00		813,125.00	931,250.00
3/1/2022	4/1/2022			100,750.00	100,750.00		100,750.00	
9/1/2022	10/1/2022	729,000.00	5.000%	100,750.00	829,750.00		829,750.00	930,500.00
3/1/2023	4/1/2023			82,525.00	82,525.00		82,525.00	
9/1/2023	10/1/2023	767,000.00	5.000%	82,525.00	849,525.00		849,525.00	932,050.00
3/1/2024	4/1/2024			63,350.00	63,350.00		63,350.00	
9/1/2024	10/1/2024	805,000.00	5.000%	63,350.00	868,350.00		868,350.00	931,700.00
3/1/2025	4/1/2025			43,225.00	43,225.00		43,225.00	
9/1/2025	10/1/2025	844,000.00	5.000%	43,225.00	887,225.00		887,225.00	930,450.00
3/1/2026	4/1/2026			22,125.00	22,125.00		22,125.00	
9/1/2026	10/1/2026	885,000.00	5.000%	22,125.00	907,125.00		907,125.00	929,250.00
		5,330,000.00		1,966,196.67	7,296,196.67	(236,026.67)	7,060,170.00	7,060,170.00

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$27,660,000 LEASE REVENUE BONDS  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016  
 Exhibit B - Equipment Lease

*Participant:*      *County of Burlington*

	2016 Bond Issuance	Useful Life
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2016 Lease Notes - Project Fund:

Heavy Equipment - Highway Department	\$2,699,235	15
IT Equipment	\$727,545	7
Tower Lighting Systems	\$38,537	10
Public Safety - Hazmat/FIammable Liquids	\$217,997	10
Light Duty Trucks and Sport Utility Vehicles	\$2,096,700	5
<i>Sub-Total:</i>	\$5,780,014	

<u><i>Total Equipment Project Fund:</i></u>	<u><b>\$5,780,014</b></u>
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**APPENDIX E-12**

**Fourth Amendment to 2013 Equipment Lease**



**2016 GOVERNMENTAL LEASING PROGRAM**

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**FOURTH AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL 27, 2016**

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**THIS FOURTH AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "Fourth Amendment"), dated April 27, 2016 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**, the Commission and the County executed an Equipment Lease and Agreement dated November 19, 2013 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2013 Notes (as hereinafter defined), 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 2012 Capital Budget and in Exhibit A to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$30,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2013 (the "Series 2013 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated November 19, 2013 (the "Original Improvement Lease" and together with the Original Equipment Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2013 Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project" and together with the Equipment Project, the "Project"); and

**WHEREAS**, the Series 2013 Notes matured on November 19, 2014; and

**WHEREAS**, on November 18, 2014, at the direction of the County, the Commission issued \$60,000,000 principal amount of its Lease Revenue Notes (Governmental Leasing

Program), Series 2014 (the "Series 2014 Notes") to refinance the maturing principal of the Series 2013 Notes and to finance additional costs of (i) the Equipment Project all as more fully described in Exhibit A to the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, between the Commission and the County ("The First Amendment to the Equipment Lease") and (ii) the Improvement Project all as more fully described in Exhibit A to the First Amendment to Improvement Lease and Agreement, dated November 18, 2014 (the "First Amendment to Improvement Lease" and together with the First Amendment to the Equipment Lease, the "First Amendments to the Leases"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2014 Notes, the Commission and the County further amended certain provisions of (i) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2014 Notes allocated to the Improvement Project; and

**WHEREAS**, the Series 2014 Notes matured on November 18, 2015; and

**WHEREAS**, on November 17, 2015, the Commission issued \$54,905,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-1 (the "Series 2015B-1 Notes") which, together with available funds of the County in the amount of \$5,000,000, refinanced the maturing principal of the Series 2014 Notes and (ii) paid costs of issuance relating to issuance of the Series 2015B-1 Notes; and

**WHEREAS**, in connection with the issuance of the Series 2015B-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Improvement Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Improvement Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto through the execution and delivery of the Second Amendment to Equipment Lease and Agreement, dated November 17, 2015, between the Commission and the County (the "Second Amendment to the Equipment Lease") to provide for the payment by the County of the Basic Rent for the Series 2015B-1 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2015B-1 Notes are scheduled to mature on May 17, 2016; and

**WHEREAS**, at the direction of the County, on April 27, 2016, the Commission has issued \$27,660,000 principal amount of Lease Revenue Bonds (Governmental Leasing Program), Series 2016 (the "Series 2016 Bonds") which will be used to (i) permanently finance a

\$30,000,000 portion of the maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016 Bonds; and

**WHEREAS**, in connection with the issuance of the Series 2016 Bonds, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto and the Second Amendment to Improvement Lease and Exhibits A and B thereto, by the Third Amendment to Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto and the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Third Amendment to Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016 Bonds allocated to the Equipment Project; and

**WHEREAS**, at the direction of the County, on April 27, 2016, the Commission is issuing \$24,905,000 in Lease Revenue Notes (Governmental Leasing Program), Series 2016A (the "Series 2016A Notes") which will be used to (i) temporarily finance the \$24,905,000 remaining portion of the maturing Series 2015B-1 Notes and (ii) pay the costs of issuance relating to the Series 2016A Notes; and

**WHEREAS**, in connection with the issuance of the Series 2016A Notes, the Commission and the County desire to further amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Improvement Lease and Exhibits A and B thereto, the Second Amendment to Improvement Lease and Exhibits A and B thereto, and by the Fourth Amendment to the Improvement Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016A Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto, as heretofore amended by the First Amendment to Equipment Lease and Exhibits A and B thereto, the Second Amendment to Equipment Lease and Exhibits A and B thereto, by the Fourth Amendment to the Equipment Lease and Exhibits A and B thereto, to provide for the payment by the County of the Basic Rent for the Series 2016A Notes allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Fourth Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease, as heretofore amended by the First Amendment to Equipment Lease and the Second Amendment to Equipment Lease, are hereby deleted in their entirety and replaced by the following; provided however that the definitions set forth in the Original Equipment Lease, as amended by the First Amendment to Equipment Lease, the Second

Amendment to Equipment Lease and the Third Amendment to the Equipment Lease shall remain operative as to the Series 2016 Bonds:

“Agreement” shall mean, collectively, the Equipment Lease and Agreement, dated November 19, 2013, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 18, 2014, as amended by the Second Amendment to the Equipment Lease and Agreement, dated November 17, 2015, as further amended by the Third and Fourth Amendments to the Equipment Lease and Agreement, dated April 27, 2016 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

“Equipment Project Allocable Portion” shall mean the 14.02% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2016A Notes.

“Initial Commission Financing Fee” shall mean, for the issuance of the Series 2016A Notes, a fee of \$20,754.08. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$2,910.65.

“Lease Payment Date” shall, with respect to the Series B Bonds issued as the Series 2016A Notes, be determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016 Bonds, which date 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 B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease, as heretofore amended by the First Amendment to Equipment Lease, the Second Amendment to Equipment Lease, and the Third Amendment to the Equipment Lease shall be amended to include the following:

“Fourth Amendment” shall mean this Fourth Amendment to the Equipment Lease and Agreement, dated April 27, 2016 executed and delivered by the Commission and the County in connection with the issuance of the Series 2016A Notes.

“Series 2016A Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2016A authorized and issued on April 27, 2016 in the aggregate principal amount of \$24,905,000 pursuant to Section 203 of the Resolution and all references in the Original Equipment Lease to the “Series 2013 Notes” and all references in the First Amendment to the Equipment Lease to the “2014 Notes”, and all references in the Second Amendment to the Equipment Lease to the “Series 2015B-1 Notes” shall include the Series 2016A Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Equipment Lease, as heretofore amended by the First Amendment to Equipment Lease, the Second Amendment to Equipment Lease, and the Third Amendment to the Equipment Lease is further amended and restated in its entirety to read as follows:

“SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series B Bonds as Series 2013 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,735,720.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the initial Costs of the Equipment Project.

(2) Upon original issuance of the Series B Bonds as Series 2014 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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 amount of \$4,701,129.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

(3) Upon original issuance of the Series B Bonds as Series 2015B-1 Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.

(4) Upon original issuance of the Series B Bonds as Series 2016 Bonds, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.

(5) Upon original issuance of the Series B Bonds as Series 2016A Notes, the Equipment Project Allocable Portion of the proceeds of the Series B Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series B Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series B 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.”

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 5.2, 6.11 and 7.8 of the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease, shall include the "Official Statement" for the Series 2016A Notes, dated April 14, 2016.

**Section 5. Continuing Disclosure.** A new subsection (e) to Section 5.14 of the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease and the Third Amendment to the Equipment Lease, is hereby added to read as follows:

“(e) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated April 27, 2016, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2016A 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.”

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Fourth Amendment, and all references in the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto; provided however that the information appearing in Exhibit A to the Third Amendment to the Equipment Lease relating to the Series 2016 Bonds shall remain in full force and effect following the execution of this Fourth Amendment to the Equipment Lease.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Fourth Amendment, and all references in the Original Equipment Lease, as heretofore amended by the First Amendment to the Equipment Lease and the Second Amendment to the Equipment Lease to Exhibit B shall be references to Exhibit B attached

hereto; provided however that the information appearing in Exhibit B to the Third Amendment to the Equipment Lease relating to the Series 2016 Bonds shall remain in full force and effect following the execution of this Fourth Amendment to the Equipment Lease.

**Section 8. Full Force and Effect.** The Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease and the Third Amendment to the Equipment Lease, is hereby amended to the extent provided in this Fourth Amendment and, except as specifically provided herein, the Original Equipment Lease, as amended by the First Amendment to the Equipment Lease, the Second Amendment to the Equipment Lease and the Third Amendment to the Equipment Lease, shall remain in full force and effect in accordance with its terms.

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IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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:

Kathleen M. Hisecki  
Secretary

By:

[Signature]  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:

\_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By:

\_\_\_\_\_  
Authorized County Representative

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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: \_\_\_\_\_ By: \_\_\_\_\_  
Secretary Authorized Commission Representative

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Bina Whittley* By: *[Signature]*  
Clerk of the Board of Chosen Authorized County Representative  
Freeholders

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$24,905,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016A  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON EQUIPMENT LEASE						
Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2016 A Debt Service Funds on Deposit	Basic Rent Total Annual Amount
4/26/2017	3,492,000.00	2.000%	69,646.00	3,561,646.00	(69,646.00)	3,492,000.00

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

BURLINGTON COUNTY BRIDGE COMMISSION

\$24,905,000 LEASE REVENUE NOTES

(GOVERNMENTAL LEASING PROGRAM), SERIES 2016A

Exhibit B - Equipment Lease

Participant:	County of Burlington	2013 Acquisition Cost	2014 Acquisition Cost	2016 Bond Issuance	2016 Transfer to DS Account	2016 Note Adjustments	Acquisition Funds on Deposit
<b>Equipment</b>							
2016 Lease Notes - Protect Fund:							
Heavy Equipment	\$1,495,190.00	\$1,446,754.40	(\$2,699,235.00)	(\$23,979.59)	(\$60,194.51)	\$158,535.00	
Capital Equipment	\$1,814,550.00	\$1,755,770.17	(\$727,545.00)	(\$39,101.44)	(\$73,050.72)	\$2,740,623.00	
Radio Systems/Tower Lighting/Misc.	\$326,610.00	\$316,026.86	(\$256,534.00)	(\$5,238.05)	(\$13,151.79)	\$367,713.00	
Light Duty Trucks and Sport Utility Vehicles	\$1,222,470.00	\$1,182,577.45	(\$2,096,700.00)	(\$19,602.15)	(\$49,503.30)	\$239,242.00	
<b>Sub-Total:</b>	<b>\$4,858,820.00</b>	<b>\$4,701,128.88</b>	<b>(\$5,780,014.00)</b>	<b>(\$77,921.26)</b>	<b>(\$195,900.62)</b>	<b>\$3,506,113.00</b>	
<b>Total Equipment Project Fund:</b>	<b>\$4,858,820.00</b>	<b>\$4,701,128.88</b>	<b>(\$5,780,014.00)</b>	<b>(\$77,921.26)</b>	<b>(\$195,900.62)</b>	<b>\$3,506,113.00</b>	

**APPENDIX F**

- **COPIES OF THE 2015 LEASES, AS AMENDED BY THE THIRD AMENDEMNT**

## **APPENDIX F**

### **COPIES OF LEASES RELATED TO 2016B NOTES**

F-1	Third Amendment to 2015 Improvement Lease (Secures 2017B Notes)
F-2	2015 Improvement Lease
F-3	First Amendment to 2015 Improvement Lease
F-4	Second Amendment to 2015 Improvement Lease
F-5	Third Amendment to 2015 Equipment Lease (Secures 2017B Notes)
F-6	2015 Equipment Lease
F-7	First Amendment to 2015 Equipment Lease
F-8	Second Amendment to 2015 Equipment Lease



**APPENDIX F-1**

**Third Amendment to 2015 Improvement Lease (Secures 2017B Notes)**

**2017 GOVERNMENTAL LEASING PROGRAM**

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**THIRD AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL \_\_, 2017**

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**THIS THIRD AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT** (the "Second Amendment"), dated April \_\_, 2017 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**, the Commission and the County executed an Improvement Lease and Agreement, dated May 5, 2015 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2015A Notes (as hereinafter defined), of the design, acquisition, construction and installation of certain capital infrastructure improvements and the leasing thereof to the County, all as more fully described in the County's 2013 and 2014 Capital Budgets and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$29,950,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015 (the "Series 2015A Notes"); and

**WHEREAS**, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated May 5, 2015 (the "Original Equipment Lease" and together with the Original Improvement Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2015A Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2015A Notes were scheduled to mature on February 1, 2016; and

**WHEREAS**, on November 17, 2015, in accordance with the Bond Resolution, the Commission issued \$39,870,000 aggregate principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2 (the "Series 2015B-2 Notes"), for the purpose of currently refunding a \$29,950,000 portion of the Series 2015 Notes; (ii) financing an additional \$10,000,000 portion of the 2015 Capital Program and (iii) paying the costs of issuance relating to the Series 2015B-2 Notes; and

**WHEREAS**, to fully secure the Series 2015B-2 Notes, on November 17, 2015, the Commission and the County executed a First Amendment to each of the Original Leases (collectively, the "First Amendments") to provide for the payments of Rentals by the County in connection with the issuance of the Series 2015B-2 Notes (the First Amendments and together with the Original Leases, the "Lease Agreements"); and

**WHEREAS**, the Series 2015B-2 Notes mature on May 17, 2016; and

**WHEREAS**, at the direction of the County, the Commission issued its \$49,870,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2016B (the "Series 2016B Notes") which were used to (i) currently refund the Series 2015B-2 Notes, (ii) finance an additional \$10,000,000 portion of the 2015 Capital Program and (iii) pay the costs of issuance relating to the Series 2016B Notes (as hereinafter defined); and

**WHEREAS**, to fully secure the Series 2016B Notes, on April 27, 2016, the Commission and the County executed a Second Amendment to each of the Lease Agreements (collectively the "Second Amendments") to provide for the payments of Rentals by the County in connection with the issuance of the Series 2016B Notes (the "Second Amendment" and together with the Original Leases and the First Amendments, the "Lease Agreements"); and

**WHEREAS**, payment of the principal of and interest on the Series 2016B Notes will be payable from Rental Payments to be made by the County under the terms of the Lease Agreements as further amended by the Second Amendment; and

**WHEREAS**, the Series 2016B Notes mature on April 26, 2017; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$\_\_\_\_\_ principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2017B (the "Series 2017B Notes") which will be used to (i) currently refund the Series 2016B Notes, (ii) finance an additional \$2,500,000 portion of the 2015 Capital Program and (iii) pay the costs of issuance relating to the Series 2017B Notes (as hereinafter defined); and

**WHEREAS**, to fully secure the Series 2017B Notes, on April \_\_, 2017, the Commission and the County executed this Third Amendment to each of the Lease Agreements (collectively the "Third Amendments") to provide for the payments of Rentals by the County in connection with the issuance of the Series 2017B Notes (the "Third Amendment" and together with the Original Leases, the First Amendments and the Second Amendments, the "Lease Agreements"); and

**WHEREAS**, payment of the principal of and interest on the Series 2017B Notes will be payable from Rental Payments to be made by the County under the terms of the Lease Agreements as further amended by the Third Amendments; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Third Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Improvement Lease are hereby deleted in their entirety and replaced by the following:

“Agreement” shall mean, collectively, the Equipment Lease and Agreement, dated May 5, 2015, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 17, 2015, as further amended by the Second Amendment to the Equipment Lease and Agreement, dated April 27, 2016 and as further amended by the Third Amendment, dated April \_\_, 2017 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Improvement Project Allocable Portion" shall mean the \_\_\_\_\_% of the par amount of the Series 2017B Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2016B Notes, a fee of \$\_\_\_\_\_. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$\_\_\_\_\_.

"Lease Payment Date" shall mean with respect to the Series B Bonds issued as the Series 2016B Notes, April \_\_\_\_, 2018, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016B Notes, which date 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 the Series B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease shall be amended to include the following:

“Third Amendments” shall mean the Third Amendment to the Equipment Lease and Agreement, dated April \_\_, 2017 and the Third Amendment to the Improvement Lease and Agreement, dated April \_\_, 2017, each executed and delivered by the Commission and the County in connection with the issuance of the Series 2017B Notes.

“Series 2017B Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2017B authorized and issued on April \_\_, 2017 in the aggregate principal amount of \$\_\_\_\_\_ pursuant to Section 203 of the Resolution and a supplemental resolution related to the issuance of the Series 2017B Notes adopted on March 17, 2017, as each may be supplemented and amended and references in the Original Leases, as amended by the First Amendments and the Second Amendments, to the “Series 2015 Notes” and “Series 2016B Notes” shall include the Series 2017B Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Improvement Lease is amended and restated in its entirety to read as follows:

"SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series 2015A Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2015A Notes 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 2015A Notes, 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 2015A Notes, 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 \$22,319,400.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series 2015B-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2015B-2 Notes 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 2015B-2 Notes, 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 2015B-2 Notes, 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 \$9,190,862.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project.

(3) Upon original issuance of the Series 2016B Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2016B Notes 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 2016B Notes, 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 2016B Notes, 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, (iii) the amount of \$31,510,200.00 for deposit in the Debt Service Account to be used to currently refund the Improvement Project Allocable Portion of the Series 2015B-2 Notes, and (iv) the amount of \$5,936,812.82 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project.

(4) Upon original issuance of the Series 2017B Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2017B Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2017B Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2017B Notes, 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 (iii) the amount of \$ \_\_\_\_\_ for deposit in the Debt Service Account to be used to currently refund the Equipment Project Allocable Portion of the principal of the Series 2016B Notes and (iv) the amount of \$ \_\_\_\_\_ for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 3.2 and 5.11 of the Original Equipment Leases, as amended by the First Amendments and the Second Amendments, shall include the “Official Statement” for the Series 2017B Notes, dated April \_\_, 2017.

**Section 5. Continuing Disclosure.** A new subsection (c) to Section 6.14 of the Original Improvement Lease is hereby added to read as follows:

"(c) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated April \_\_, 2017, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2016B 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."

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Third Amendment, and all references in the Original Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Improvement Lease, as amended by Exhibit B to the First Amendment to Improvement Lease and by Exhibit B to the Second Amendment to Improvement Lease, is hereby deleted in its entirety and replaced by Exhibit B attached to this Third Amendment, and all references in the Original Improvement Lease to Exhibit B, as amended by Exhibit B to the First Amendment to Improvement Lease and by Exhibit B to the Second Amendment to Improvement Lease, shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Improvement Lease is hereby amended to the extent provided in this Second Amendment and, except as specifically provided herein, the Original Improvement Lease shall remain in full force and effect in accordance with its terms.

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**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

**APPENDIX F-2**

**2015 Improvement Lease**

**2015 GOVERNMENTAL LEASING PROJECT**

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**IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**COUNTY OF BURLINGTON, NEW JERSEY**

**DATED MAY 5, 2015**

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THIS IMPROVEMENT LEASE AND AGREEMENT (the "Agreement"), dated May 5, 2015, 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 2013 and 2014 Capital Budget and in Exhibit A to this Agreement (collectively, the "Improvements"), with the proceeds of its Lease Revenue Notes (Governmental Leasing Program), Series 2015 in the aggregate principal amount of \$29,950,000 (the "Series 2015 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 Series 2015 Notes 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 (Governmental Leasing Program), Series 2015", duly adopted March 10, 2015, 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 2015 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 2015 Notes allocable to the Improvement Project is \$22,319,400 (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 2015 Notes and the Debt Service (as hereinafter defined) on the Series 2015 Notes 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.

"2013 and 2014 Capital Plan" shall mean the capital budget or budgets 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 \$94,500,000, 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 2015 Notes, 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 May 5, 2015, 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 Instruments" shall mean, collectively Ordinance No. 2013-00587 and Ordinance No. 2014-00529 each duly adopted by the Board of Chosen Freeholders of the County on November 27, 2013 and November 26, 2014, respectively 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 2015 Notes, 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 a Series of Refunding 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 2015 Notes 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 Bonds or Refunding Bonds of the Commission authorized and issued pursuant to Article II of the Resolution.

"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 2015 Notes, 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 between the Commission and the Trustee, acting as dissemination agent, dated May 5, 2015, 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 2015 Notes, 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 2015 Notes, 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 2015 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 2015 Notes, an amount equal to the sum of (i) interest accruing during such period on such Improvement Project Allocable Portion of the Series 2015 Notes except to the extent such interest is to be paid from deposits made from Series 2015 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 2015 Notes 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 2015 Notes 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 2015 Notes 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.

“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.

“Initial Commission Financing Fee” shall mean the initial financing fee of the Commission for the Series 2015 Notes, which, as of the date of execution of this Agreement in connection with the issuance of the Series 2015 Notes, shall be in an amount equal to 0.04% of the par amount of the Series 2015 Notes. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$8,913.12.

“Improvement Project” shall mean the design and construction of the Improvements initially financed with the Improvement Project Allocable Portion of the proceeds of the Series 2015 Notes, 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 74.4% of the par amount of the Series 2015 Notes.

“Individual Improvement” shall mean each individual Improvement appearing on Exhibit A hereto or an Improvement added pursuant to Section 4.1(b) hereof.

“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 2015 Notes, February 1, 2016, or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Bonds or 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 Bonds or 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 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 Bonds or Refunding 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 2015 Notes 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 March 10, 2015, entitled, “Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds (Governmental Leasing Program), Series 2015”, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

“Series 2015 Bonds or Notes” 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 temporarily or permanently finance, *inter alia*, the Improvements.

“Series 2015 Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2015 authorized and issued on May 5, 2015 in the aggregate principal amount of \$29,950,000 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 2015 Notes, 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.

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 2015 Notes 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 2015 Notes 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 2015 NOTES

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 2015 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 2015 Notes 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 2015 Notes is equal to at least 100% of the amount of Bond proceeds of the applicable Series of Series 2015 Notes 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 2015 Notes 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 2015 Notes, (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 2015 Notes 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 2015 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 2015 Notes 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 2015 Notes from the gross income of the owners thereof for Federal income taxation purposes.

SECTION 4.2. Issuance of Series 2015 Notes. (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 2015 Notes.

(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 2015 Notes, 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 2015 Note Proceeds and Other Funds. (a) Upon original issuance of the Series 2015 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2015 Notes 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 2015 Notes, 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 2015 Notes, 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 \$22,319,400 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 5f1. 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 Notes, Bonds or Refunding 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 2015 Notes 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 2015 Notes;
- (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 2015 Notes 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 April \_\_, 2015 (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 2015 Notes.

(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 2015 Notes 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 2015 Notes 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 2015 Notes, 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 2015 Notes 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 Refunding 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes.

(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 2015 Notes 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 2015 Notes.

(c) No part of the Improvement Project Allocable Portion of the proceeds of the Series 2015 Notes 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 2015 Notes.

(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 2015 Notes, 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 2015 Notes.

(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 2015 Notes, 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 2015 Notes, 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. Limited Continuing Disclosure Reporting by County. In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, 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 2015 Notes or to enable the Commission to make any reports which are required by any law or governmental regulations in connection with the Series 2015 Notes.

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 2015 Notes 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 Improvement Project Allocable Portion of the Series 2015 Notes 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 2015 Notes (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 2015 Notes.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Chairman 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

By: \_\_\_\_\_  
Chairman

[SEAL]

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Gene Whitley*  
Clerk of the Board of Chosen  
Freeholders

By: *May Ann C. O'Brien*  
Authorized County Representative

[SEAL]

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Chairman 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

By: \_\_\_\_\_

Chairman

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_

Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_

Authorized County Representative

[SEAL]

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	Basic Rent Total Annual Amount

BURLINGTON COUNTY BRIDGE COMMISSION  
LEASE REVENUE NOTES  
(GOVERNMENTAL LEASING PROGRAM), SERIES 2015  
Exhibit B - Improvement Lease

Participant: *County of Burlington*

<u>Improvement</u>	<u>Acquisition Cost</u>
2015 Lease Notes - Project Fund:	
Buildings and Grounds	\$ 7,082,100.00
Engineering	15,237,300.00
	Sub-Total: \$ 22,319,400.00

*Total Improvement Project Fund: \$ 22,319,400.00*

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 March 10, 2015, entitled "Resolution of The Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds (Governmental Leasing Program), Series 2015", 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 May \_\_, 2015 (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 Representative  
Name:  
Title:

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

Burlington County Bridge Commission  
Palmyra, New Jersey

County of Burlington, New Jersey  
Mount Holly, New Jersey

Capehart & Scatchard, P.A.  
Mount Laurel, New Jersey

Raymond James and Associates, Inc.  
New York, New York

Re: The Burlington County Bridge Commission  
\$29,950,000 Lease Revenue Notes (Governmental Leasing Project), Series  
2015

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 Improvement Lease and Agreement, dated May 5, 2015 (the "Lease"), between the Burlington County Bridge Commission (the "Commission") and the County and the adoption on November 27, 2013 and November 26, 2014 of ordinances each authorizing the execution and delivery of the Lease (collectively, the "Ordinances"). 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 Ordinances;

(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 Ordinances;

(d) the execution, delivery and performance by the County of the terms of the Lease and the adoption and performance of the Ordinances 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 Ordinances 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 Ordinances;

(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 Ordinances 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.

Very truly yours,

EXHIBIT E

CERTIFICATE AS TO AUTHORIZED  
COUNTY REPRESENTATIVE

I, MARY ANN O'BRIEN, 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. Edward J. Troy is the Treasurer of the County.
2. Marc Krassan is the Chief Financial Officer of the County.
3. Eve Cullinan 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.

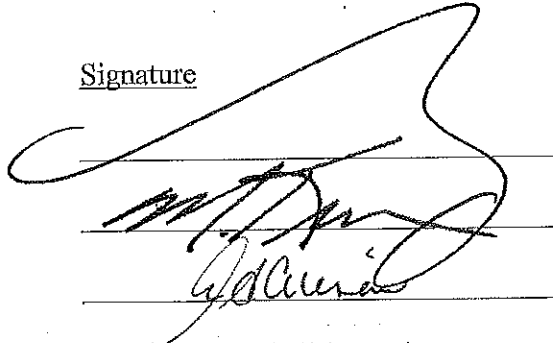
Name

Signature

Edward J. Troy

Marc Krassan

Eve Cullinan



Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in the Improvement Lease and Agreement dated May 5, 2015 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this 5<sup>th</sup> day of May, 2015.

COUNTY OF BURLINGTON, NEW JERSEY

By:

  
Name: Mary Ann O'Brien  
Title: Freeholder Director

**APPENDIX F-3**

**First Amendment to 2015 Improvement Lease**

**2015 GOVERNMENTAL LEASING PROGRAM**

---

**FIRST AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED NOVEMBER 17, 2015**

---

**THIS FIRST AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT** (the "First Amendment"), dated November 17, 2015 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**, the Commission and the County executed an Improvement Lease and Agreement, dated May 5, 2015 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2015A Notes (as hereinafter defined), of the design, acquisition, construction and installation of certain capital infrastructure improvements and the leasing thereof to the County, all as more fully described in the County's 2013 and 2014 Capital Budgets and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$29,950,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015 (the "Series 2015A Notes"); and

**WHEREAS**, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated May 5, 2015 (the "Original Equipment Lease" and together with the Original Improvement Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2015A Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2015A Notes mature on February 1, 2016; and



**WHEREAS**, at the direction of the County, the Commission is issuing \$39,950,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2 (the "Series 2015B-2 Notes") which will be used to refinance the maturing principal of the Series 2015A Notes and to finance additional costs of (i) the Improvement Project, all as more fully described in Exhibit A to this First Amendment and (ii) the Equipment Project, all as more fully described in Exhibit A to the First Amendment to Equipment Lease and Agreement, dated November , 2015 (the "First Amendment to Equipment Lease"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2015B-2 Notes, the Commission and the County desire to amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B thereto to provide for the amendment of the Improvement Project to include additional funds to complete certain projects and undertake additional delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2015B-2 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B thereto to provide for the amendment of the Equipment Project to include additional funds to undertake additional acquisitions within the Equipment Project and the payment by the County of the Basic Rent for the Series 2015B-2 Notes allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this First Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Improvement Lease are hereby deleted in their entirety and replaced by the following:

"Agreement" shall mean, collectively, the Improvement Lease and Agreement, dated May 5, 2015, by and between the Commission and the County, as amended by the First Amendment to the Improvement Lease and Agreement, dated November 17, 2015, and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Improvement Project Allocable Portion" shall mean the 78.78% of the par amount of the Series 2015B-2 Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2015B-2 Notes, a fee of \$16,611.84. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$13,749.62.

"Lease Payment Date" shall mean with respect to the Series B Bonds issued as the Series 2015B-2 Notes, May 17, 2016, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in

connection with the sale of the Series 2015B-2 Notes, which date 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 the Series 2015B-2 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease shall be amended to include the following:

"First Amendment" shall mean the First Amendment to the Improvement Lease and Agreement, dated November 17, 2015 executed and delivered by the Commission and the County in connection with the issuance of the Series 2015B-2 Notes.

"Series 2015B-2 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2 authorized and issued on November 17, 2015 in the aggregate principal amount of \$39,950,000 pursuant to Section 203 of the Resolution and a supplemental resolution related to the Series 2015B-2 Notes adopted on October 14, 2015 as amended and all references in the Original Improvement Lease to the "Series 2015 Notes" shall include the Series 2015A Notes and the Series 2015B-2 Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Improvement Lease is amended and restated in its entirety to read as follows:

"SECTION 4.5. Application of Series 2015 Note Proceeds and Other Funds. (a) (1) Upon original issuance of the Series 2015A Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2015A Notes 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 2015A Notes, 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 2015A Notes, 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 \$22,319,400.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series 2015B-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2015B-2 Notes 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 2015B-2 Notes, 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 2015B-2 Notes, 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 \$9,190,862.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project."

**Section 4. References to Official Statement.** References to the term "Official Statement" in Sections 5.2, 6.11 and 7.8 of the Original Improvement Lease shall include the "Official Statement" for the Series 2015B-2 Notes, dated November 5, 2015.

**Section 5. Continuing Disclosure.** A new subsection (b) to Section 6.14 of the Original Improvement Lease is hereby added to read as follows:

"(b) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November 17, 2015, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2015B-2 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."

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this First Amendment, and all references in the Original Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this First Amendment, and all references in the Original Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Improvement Lease is hereby amended to the extent provided in this First Amendment and, except as specifically provided herein, the Original Improvement Lease shall remain in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

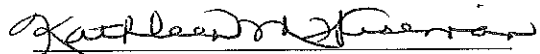
By: *Christine Kelly*  
Deputy Clerk of the Board of Chosen  
Freeholders

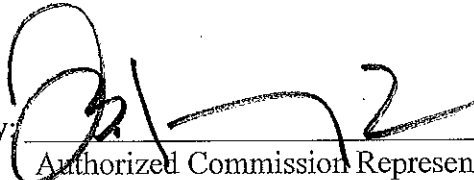
By: *Mary G. C. Brien*  
Authorized County Representative

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$39,870,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015B-2  
 Exhibit B - Improvement Lease

Participant	County of Burlington	2015 A		2015 B		Acquisition	
		Acquisition	Cost	Acquisition	Cost	Cost	Cost
2015 Lease Notes - Project Fund:							
Buildings and Grounds		\$	7,082,100.00	\$	1,204,900.00	\$	8,287,000.00
Engineering			15,237,300.00		7,985,962.00		23,223,262.00
		Sub-Total:	\$ 22,319,400.00	\$	9,190,862.00	\$	31,510,262.00
<b>Total Improvement Project Fund:</b>		\$	22,319,400.00	\$	9,190,862.00	\$	31,510,262.00

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE



EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$39,870,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015B-2  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON  
 IMPROVEMENT LEASE

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	Basic Rent Total Annual Amount
5/17/2016	31,410,000.00	1.500%	235,575.00	31,645,575.00	31,645,575.00

**APPENDIX F-4**

**Second Amendment to 2015 Improvement Lease**

**2016 GOVERNMENTAL LEASING PROGRAM**

---

**SECOND AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL 27, 2016**

---

**THIS SECOND AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT** (the "Second Amendment"), dated April 27, 2016 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**, the Commission and the County executed an Improvement Lease and Agreement, dated May 5, 2015 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2015A Notes (as hereinafter defined), of the design, acquisition, construction and installation of certain capital infrastructure improvements and the leasing thereof to the County, all as more fully described in the County's 2013 and 2014 Capital Budgets and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$29,950,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015 (the "Series 2015A Notes"); and

**WHEREAS**, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated May 5, 2015 (the "Original Equipment Lease" and together with the Original Improvement Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2015A Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2015A Notes were scheduled to mature on February 1, 2016; and

**WHEREAS**, on November 17, 2015, in accordance with the Bond Resolution, the Commission issued \$39,870,000 aggregate principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2 (the "Series 2015B-2 Notes"), for the purpose of currently refunding a \$29,950,000 portion of the Series 2015 Notes; (ii) financing an additional \$10,000,000 portion of the 2015 Capital Program and (iii) paying the costs of issuance relating to the Series 2015B-2 Notes; and

**WHEREAS**, to fully secure the Series 2015B-2 Notes, on November 17, 2015, the Commission and the County executed a First Amendment to each of the Original Leases (collectively, the "First Amendments") to provide for the payments of Rentals by the County in connection with the issuance of the Series 2015B-2 Notes (the First Amendments and together with the Original Leases, the "Lease Agreements"); and

**WHEREAS**, the Series 2015B-2 Notes mature on May 17, 2016; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$49,870,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2016B (the "Series 2016B Notes") which will be used to (i) currently refund the Series 2015B-2 Notes; (ii) finance an additional \$10,000,000 portion of the 2015 Capital Program and (iii) pay the costs of issuance relating to the Series 2016B Notes (as hereinafter defined); and

**WHEREAS**, the Commission desires to authorize a Second Amendment to the Lease Agreements (collectively, the "Second Amendments") to provide for the payments of Rentals by the County in connection with the issuance of the Series 2016B Notes; and

**WHEREAS**, payment of the principal of and interest on the Series 2016B Notes will be payable from Rental Payments to be made by the County under the terms of the Lease Agreements, as further amended by the Second Amendments;

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Second Amendments have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Improvement Lease are hereby deleted in their entirety and replaced by the following:

"Agreement" shall mean, collectively, the Improvement Lease and Agreement, dated May 5, 2015, by and between the Commission and the County, as amended by the First Amendment to the Improvement Lease and Agreement, dated November 17, 2015, as further amended by the Second Amendment to the Improvement Lease and Agreement, dated April 27, 2016 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Improvement Project Allocable Portion" shall mean the 74.89% of the par amount of the Series 2016B Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2016B Notes, a fee of \$20,778.34. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$15,561.74.

"Lease Payment Date" shall mean with respect to the Series B Bonds issued as the Series 2016B Notes, April 26, 2017, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016B Notes, which date 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 the Series B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease shall be amended to include the following:

"Second Amendments" shall mean, collectively, the Second Amendment to the Improvement Lease and Agreement and the Second Amendment to the Equipment Lease, each dated April 27, 2016 executed and delivered by the Commission and the County in connection with the issuance of the Series 2016B Notes.

"Series 2016B Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2016B authorized and issued on April 27, 2016 in the aggregate principal amount of \$48,870,000 pursuant to Section 203 of the Resolution and a supplemental resolution related to the Series 2016B Notes adopted on March 15, 2016 as amended and all references in the Original Leases, as amended by the First Amendments, to the "Series 2015 Notes" shall include the Series 2016B Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5(a) of the Original Improvement Lease is amended and restated in its entirety to read as follows:

"SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series 2015A Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2015A Notes 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 2015A Notes, 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 2015A Notes, 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 \$22,319,400.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series 2015B-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2015B-2 Notes 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 2015B-2 Notes, 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 2015B-2 Notes, 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 \$9,190,862.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project.

(3) Upon original issuance of the Series 2016B Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2016B Notes 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 2016B Notes, 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 2016B Notes, 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, (iii) the amount of \$31,510,200.00 for deposit in the Debt Service Account to be used to currently refund the Improvement Project Allocable Portion of the Series 2015B-2 Notes, and (iv) the amount of \$5,936,812.82 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project.

**Section 4. References to Official Statement.** References to the term "Official Statement" in Sections 5.2, 6.11 and 7.8 of the Original Leases, as amended by the First Amendments, shall include the "Official Statement" for the Series 2016B Notes, dated April 14, 2016.

**Section 5. Continuing Disclosure.** A new subsection (c) to Section 6.14 of the Original Improvement Lease is hereby added to read as follows:

"(c) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated April 27, 2016, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2016B 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."

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Improvement Lease, as amended by Exhibit A to the First Amendment to Improvement Lease, is hereby deleted in its entirety and replaced by Exhibit A attached to this Second Amendment, and all references in the

Original Improvement Lease to Exhibit A, as amended by Exhibit A to the First Amendment to Improvement Lease, shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Improvement Lease, as amended by Exhibit B to the First Amendment to Improvement Lease, is hereby deleted in its entirety and replaced by Exhibit B attached to this Second Amendment, and all references in the Original Improvement Lease to Exhibit B, as amended by Exhibit B to the First Amendment to Improvement Lease, shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Improvement Lease is hereby amended to the extent provided in this Second Amendment and, except as specifically provided herein, the Original Improvement Lease shall remain in full force and effect in accordance with its terms.

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IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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: *Ruthless of Harrison*  
Secretary

By: *[Signature]*  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Christine Kelly*  
Deputy Clerk of the Board of Chosen  
Freeholders

By: *Mary Ann C. Aljamen*  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$49,870,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016B  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON IMPROVEMENT LEASE							
Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2016 B Debt Service Funds on Deposit	Net Basic Rent Interest Amount	Basic Rent Total Annual Amount
4/26/2017	37,348,000.00	2.000%	744,885.11	38,092,885.11	(556,681.79)	188,203.32	37,536,203.32

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$49,870,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016B  
 Exhibit B - Improvement Lease

Participant:	County of Burlington	2015 A		2015 B		2016 B	
		Acquisition Cost	Acquisition Cost	Acquisition Cost	Acquisition Cost		
<u>Improvement</u>							
2016 Lease Notes - Project Fund:							
Buildings and Grounds		\$ 7,082,100.00	\$ 1,204,900.00	\$ 3,289,000.00	\$ 11,576,000.00		
Engineering		15,237,300.00	7,985,962.00	2,647,812.82	25,871,074.82		
Sub-Total:		\$ 22,319,400.00	\$ 9,190,862.00	\$ 5,936,812.82	\$ 37,447,074.82		

<u>Total Improvement Project Fund:</u>	\$ 22,319,400.00	\$ 9,190,862.00	\$ 5,936,812.82	\$ 37,447,074.82
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EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

**APPENDIX F-5**

**Third Amendment to 2015 Equipment Lease (Secures 2017B Notes)**

**2017 GOVERNMENTAL LEASING PROGRAM**

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**THIRD AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL \_\_\_\_, 2017**

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**THIS THIRD AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "Second Amendment"), dated April \_\_, 2017 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**, the Commission and the County executed an Equipment Lease and Agreement dated May 5, 2015 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2015A Notes (as hereinafter defined), 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 2013 and 2014 Capital Budgets and in Exhibit B to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$29,950,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015 (the "Series 2015A Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated May 5, 2015 (the "Original Improvement Lease" and together with the Original Equipment Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2015A Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2015A Notes were scheduled to mature on February 1, 2016; and

**WHEREAS**, on November 17, 2015, the Commission issued its \$39,870,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2 (the "Series

2015B-2 Notes”) for the purpose of (i) currently refunding a \$29,950,000 portion of the Series 2015 Notes; (ii) financing an additional \$10,000,000 portion of the 2015 Capital Program and (iii) paying the costs of issuance relating to the Series 2015B-2 Notes; and

**WHEREAS**, to fully secure the Series 2015B-2 Notes, on November 17, 2015, the Commission and the County executed a First Amendment to each of the Original Leases (collectively the “First Amendments”) to provide for the payments of Rentals by the County in connection with the issuance of the Series 2015B-2 Notes (the First Amendment and together with the Original Leases, the “Lease Agreements”); and

**WHEREAS**, the Series 2015B-2 Notes matured on May 17, 2016; and

**WHEREAS**, at the direction of the County, the Commission issued its \$49,870,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2016B (the "Series 2016B Notes") which were used to (i) currently refund the Series 2015B-2 Notes, (ii) finance an additional \$10,000,000 portion of the 2015 Capital Program and (iii) pay the costs of issuance relating to the Series 2016B Notes (as hereinafter defined); and

**WHEREAS**, to fully secure the Series 2016B Notes, on April 27, 2016, the Commission and the County executed a Second Amendment to each of the Lease Agreements (collectively the “Second Amendments”) to provide for the payments of Rentals by the County in connection with the issuance of the Series 2016B Notes (the “Second Amendment” and together with the Original Leases and the First Amendments, the “Lease Agreements”); and

**WHEREAS**, payment of the principal of and interest on the Series 2016B Notes will be payable from Rental Payments to be made by the County under the terms of the Lease Agreements as further amended by the Second Amendment; and

**WHEREAS**, the Series 2016B Notes mature on April 26, 2017; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$\_\_\_\_\_ principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2017B (the "Series 2017B Notes") which will be used to (i) currently refund the Series 2016B Notes, (ii) finance an additional \$2,500,000 portion of the 2015 Capital Program and (iii) pay the costs of issuance relating to the Series 2017B Notes (as hereinafter defined); and

**WHEREAS**, to fully secure the Series 2017B Notes, on April \_\_, 2017, the Commission and the County executed this Third Amendment to each of the Lease Agreements (collectively the “Third Amendments”) to provide for the payments of Rentals by the County in connection with the issuance of the Series 2017B Notes (the “Third Amendment” and together with the Original Leases, the First Amendments and the Second Amendments, the “Lease Agreements”); and

**WHEREAS**, payment of the principal of and interest on the Series 2017B Notes will be payable from Rental Payments to be made by the County under the terms of the Lease Agreements as further amended by the Third Amendments; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Third Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease are hereby deleted in their entirety and replaced by the following:

“Agreement” shall mean, collectively, the Equipment Lease and Agreement, dated May 5, 2015, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 17, 2015, as further amended by the Second Amendment to the Equipment Lease and Agreement, dated April 27, 2016 and as further amended by the Third Amendment, dated April \_\_, 2017 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

“Equipment Project Allocable Portion” shall mean the \_\_\_\_% of the par amount of the Series 2017B Notes.

“Initial Commission Financing Fee” shall mean, for the issuance of the Series 2017B Notes, a fee of \$\_\_\_\_\_. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$\_\_\_\_\_.

“Lease Payment Date” shall mean with respect to the Series B Bonds issued as the Series 2017B Notes, April \_\_, 2016, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2017B Notes, which date 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 B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease shall be amended to include the following:

“Third Amendments” shall mean the Third Amendment to the Equipment Lease and Agreement, dated April \_\_, 2017 and the Third Amendment to the Improvement Lease and Agreement, dated April \_\_, 2017, each executed and delivered by the Commission and the County in connection with the issuance of the Series 2017B Notes.

“Series 2017B Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2017B authorized and issued on April \_\_, 2017 in the

aggregate principal amount of \$ \_\_\_\_\_ pursuant to Section 203 of the Resolution and a supplemental resolution related to the issuance of the Series 2017B Notes adopted on March 17, 2017, as each may be supplemented and amended and references in the Original Leases, as amended by the First Amendments and the Second Amendments, to the “Series 2015 Notes” and “Series 2016B Notes” shall include the Series 2017B Notes.

**Section 3. Amendment to Section 2.5(a).** Section 2.5 (a) of the Original Equipment Leases is amended and restated in its entirety to read as follows:

“SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series 2015A Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2015A Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2015A Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2015A Notes, 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 to the Equipment Project shall be deposited into the Equipment Project Account of the Project Fund and paid in accordance with Section 503 of the Resolution.

(2) Upon original issuance of the Series 2015B-2 Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2015B-2 Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2015B-2 Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2015B-2 Notes, 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 amount of \$809,138.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

(3) Upon original issuance of the Series 2016B Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2016B Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2016B Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2016B Notes, 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 (iii) the amount of \$8,489,800.00 for deposit in the Debt Service Account to be used to currently refund the Equipment Project Allocable Portion of the principal of the Series 2015B-2 Notes and (iv) the amount of \$4,063.187.18 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

(4) Upon original issuance of the Series 2017B Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2017B Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2017B Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2017B Notes, 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 (iii) the amount of \$ \_\_\_\_\_ for deposit in the Debt Service Account to be used to currently refund the Equipment Project Allocable Portion of the principal of the Series 2016B Notes and (iv) the amount of \$ \_\_\_\_\_ for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 3.2 and 5.11 of the Original Equipment Leases, as amended by the First Amendments and the Second Amendments, shall include the “Official Statement” for the Series 2017B Notes, dated April \_\_, 2017.

**Section 5. Continuing Disclosure.** A new subsection (d) to Section 5.14 of the Original Equipment Lease is hereby added to read as follows:

“(d) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated April \_\_, 2017, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2017B 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.”

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Third Amendment, and all references in the Original Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Equipment Lease, as amended by Exhibit B to the First Amendment to Equipment Lease and by Exhibit B to the Second Amendment to Equipment Lease, is hereby deleted in its entirety and replaced by Exhibit B attached to this Third Amendment, and all references in the Original Equipment Lease to Exhibit B, as amended by Exhibit B to the First Amendment to Equipment Lease and by Exhibit B to the Second Amendment to Equipment Lease, shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Equipment Lease is hereby amended to the extent provided in this Second Amendment and, except as specifically provided herein, the Original Equipment Lease shall remain in full force and effect in accordance with its terms.

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**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT



EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

**APPENDIX F-6**

**2015 Equipment Lease**

**2015 GOVERNMENTAL LEASING PROJECT**

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**EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**COUNTY OF BURLINGTON, NEW JERSEY**

**DATED MAY 5, 2015**

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- EXHIBIT H FORM OF OPINION OF GENERAL COUNSEL OR BOND COUNSEL TO THE COUNTY

THIS EQUIPMENT LEASE AND AGREEMENT (the "Agreement"), dated May 5, 2015, 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 initial 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 2013 and 2014 Capital Budget and in Exhibit B to this Agreement (collectively, the "Equipment"), with a portion of the proceeds of its Lease Revenue Notes (Governmental Leasing Program), Series 2015 in the aggregate principal amount of \$29,950,000 (the "Series 2015 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 Series 2015 Notes 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 Lease Revenue Bonds (Governmental Leasing Program), Series 2015", duly adopted March 10, 2015, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof (the "Resolution"), authorized the issuance of, *inter alia*, one or more Series of Bonds or Notes (each as defined in the Resolution), including the Series 2015 Notes, from time to time pursuant to the terms of the Resolution to finance and/or refinance, *inter alia*, the Equipment; 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 a portion of the costs of, *inter alia*, the Equipment Project through the issuance of the Series 2015 Notes and the Debt Service (as hereinafter defined) on the Series 2015 Notes shall be payable in part from Rentals (as hereinafter defined) representing the Equipment Project Allocable Portion (as hereinafter defined) 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 1.1 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.

"2013 and 2014 Capital Plan" shall mean the capital budget or budgets 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 \$94,500,000, 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 2015 Notes, 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 May 5, 2015, 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, collectively, Ordinance No. 2013-00587 and Ordinance No. 2014-00529, each duly adopted by the Board of Chosen Freeholders of the County on November 27, 2013 and November 26, 2014, respectively, 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 2015 Notes, 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 one or more additional Series of Notes and/or 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 2015 Notes 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 Bonds of the Commission authorized and issued pursuant to Article II of the Resolution.

“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 2015 Notes, 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 between the Commission and the Trustee, acting as dissemination agent, dated May 5, 2015, 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 2015 Notes, 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 2015 Notes, 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 Series 2015 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 costs 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 2015 Notes, an amount equal to the sum of (i) the interest accruing during such period on such Equipment Project Allocable Portion of the Series 2015 Notes except to the extent such interest is to be paid from deposits made from Series 2015 Note 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 2015 Notes 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 2015 Notes 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 2015 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 initially financed and/or refinanced with the proceeds of the Series 2015 Notes (and all renewals thereof) or the proceeds of 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 25.6% of the par amount of the Series 2015 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 2015 Notes 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 2015 Notes, which shall be in an amount equal to 0.04% of the par amount of the Series 2015 Notes. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$3,066.88.

“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 2015 Notes, February 1, 2016 or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Bonds or 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 Bonds or 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 2015 Notes, 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 March 10, 2015, entitled, “Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds or Notes (Governmental Leasing Program), Series 2015”, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

“Series 2015 Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2015 authorized and issued on May 5, 2015 in the aggregate principal amount of \$29,950,000 pursuant to Section 203 of the Resolution to initially finance, *inter alia*, the Equipment.

“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 2015 Notes, 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.

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## 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 Equipment 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 2015 Notes 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 2015 Notes and in accordance with the time periods and percentages specified in Section 2.3(a) hereof such that the Series 2015 Notes 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 2015 Note 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 2015 Notes.

(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 2015 Notes 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 2015 Notes 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 2015 Notes.

(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 an Acceptance Certificate and requisition for payment for an Item of Equipment 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 2015 Notes.

(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 2015 Notes.

(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 and in the event the County elects to undertake such remaining portions of the Equipment Project, the County shall be obligated to pay, as Additional Rent pursuant to Section 3.1(b) hereof, such sums as may be required to pay the Costs of the Equipment Project in excess

of the amount available to the County from the proceeds of the sale of the Series 2015 Notes out of funds legally available 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 and in the event there are insufficient moneys available in the Equipment Project Account for the additional cost of such Item of Equipment then, in such event, 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 such Item 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 an Item of 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, if any, 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 2015 Note Proceeds and Other Funds.

(a) Upon original issuance of the Series 2015 Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2015 Notes 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 2015 Notes, 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 2015 Notes, 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 to the Equipment Project 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 2015 Note 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 and with the prior written consent of the County, 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 2015 Note 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 Costs of 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 5.7 hereof. Notwithstanding the foregoing, the final requisition for a partial payment by the County shall be accompanied by an Acceptance Certificate pursuant to Section 2.3 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 2015 Notes 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 2015 Notes;
- (3) Insurance policy premiums if paid by the Commission pursuant to Section 5.6 hereof;

(4) The amounts required to be paid by the County pursuant to Section 2.4(c) 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 2015 Notes 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 April \_\_, 2015 (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 Series 2015 Notes.

(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 the 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 the 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 2015 Notes 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 2015 Notes 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 2015 Notes, 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 2015 Notes 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 Notes, Bonds or 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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes, 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 2015 Notes 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 2015 Notes 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 2015 Notes (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 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes.

(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 2015 Notes 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 2015 Notes.

(c) No part of the Equipment Project Allocable Portion of the proceeds of the Series 2015 Notes 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 2015 Notes.

(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 2015 Notes, 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 2015 Notes.

(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 2015 Notes, 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 2015 Notes, 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. Limited Continuing Disclosure Reports by County. In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, 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 2015 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 Series 2015 Notes 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 Series 2015 Notes is equal to at least 100% of the amount of Note proceeds of the Series 2015 Notes 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 Series 2015 Notes 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 Series 2015 Notes, (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 the Series 2015 Notes 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 2015 Note 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 Series 2015 Notes 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 the Series 2015 Notes 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 2015 Notes 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 2015 Notes 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 2015 Notes' (net of the amount of the Equipment Project Allocable Portion of the Series 2015 Note proceeds 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 2015 Notes 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 2015 Notes (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 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 2015 Notes.

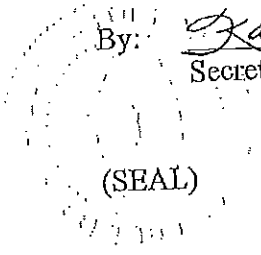
SECTION 9.11, Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

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IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Chairman 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: Kathleen M. Casanova  
Secretary

By: [Signature]  
Chairman

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By: \_\_\_\_\_  
Authorized County Representative



IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Chairman 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

By: \_\_\_\_\_  
Chairman

(SEAL)

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Mira Whitley*  
Clerk of the Board of Chosen  
Freeholders

By: *Carl Curran*  
Authorized County Representative

EXHIBIT A

BASIC RENT PAYMENT SCHEDULE  
(SERIES 2015 NOTES)

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

BURLINGTON COUNTY BRIDGE COMMISSION  
 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

BURLINGTON COUNTY BRIDGE COMMISSION  
 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent	
				Total Amount	Total Annual Amount
2/1/2016	7,667,000.00	1.250%	70,813.26	7,737,813.26	7,737,813.26

EXHIBIT B

DESCRIPTION OF EQUIPMENT AND LEASE TERM

<u>Equipment</u>	<u>Date Acquired</u>	<u>Acquisition Cost</u>	<u>Lease Term (Years)</u>
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BURLINGTON COUNTY BRIDGE COMMISSION  
LEASE REVENUE NOTES  
(GOVERNMENTAL LEASING PROGRAM), SERIES 2015  
Exhibit B - Equipment Lease

*Participant: County of Burlington*

<u>Equipment</u>	<u>Acquisition Cost</u>
<u>2015 Lease Notes - Project Fund:</u>	
Heavy Equipment	\$ 1,010,000.00
Capital Equipment	2,956,774.82
Radio Systems/Tower Lighting/Misc.	1,090,600.00
Light Duty Trucks and Sport Utility Vehicles	2,623,300.00
	<u>Sub-Total: \$ 7,680,674.82</u>

Total Equipment Project Fund: \$ 7,680,674.82

EXHIBIT C

ACCEPTANCE CERTIFICATE  
Requisition Ref. No. 2015- \_\_\_\_\_

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 May \_\_, 2015 (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. 2015- \_\_\_\_\_

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 May \_\_, 2015 (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 Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

EXHIBIT E

REQUISITION FOR PAYMENTS FROM EQUIPMENT PROJECT ACCOUNT OF PROJECT FUND

(Requisition Ref. No. 2015-\_\_\_\_\_)

(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 and Notes (Governmental Leasing Program), Series 2015", duly adopted March 10, 2015 (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 May \_\_, 2015 (the "Agreement")):

1. This requisition is Requisition Ref. No. 2015-\_\_\_\_\_.

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, MARY ANN O'BRIEN, 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. Edward J. Troy is the Treasurer of the County.
2. Marc Krassan is the Chief Financial Officer of the County.
3. Eve Cullinan 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.

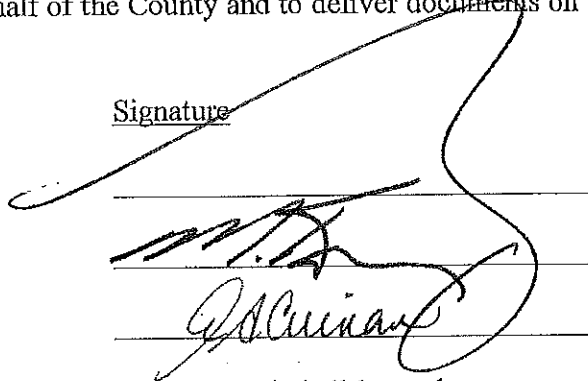
Name

Signature

Edward J. Troy

Marc Krassan

Eve Cullinan



Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in an Equipment Lease and Agreement dated May 5, 2015 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this 5<sup>th</sup> day of May, 2015.

COUNTY OF BURLINGTON, NEW JERSEY

By:

  
Name: Mary Ann O'Brien  
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 May 5, 2015 (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);

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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).

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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

By: \_\_\_\_\_  
Authorized Commission Representative  
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

Capehart & Scatchard, P.A.  
Mount Laurel, New Jersey

Raymond James and Associated, Inc.  
New York, New York

Re: The Burlington County Bridge Commission  
\$29,950,000 Lease Revenue Notes (Governmental Leasing Project), Series  
2015

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 May 5, 2015 (the "Lease"), between the Burlington County Bridge Commission (the "Commission") and the County and the adoption on November 27, 2013 and November 26, 2014 of ordinances each authorizing the execution and delivery of the Lease (collectively, the "Ordinances"). 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 Ordinances;
- (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 Ordinances;



(d) the execution, delivery and performance by the County of the terms of the Lease and the adoption and performance of the Ordinances 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 Ordinances 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 Ordinances;

(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 Ordinances 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.

Very truly yours,

**APPENDIX F-7**

**First Amendment to 2015 Equipment Lease**

**2015 GOVERNMENTAL LEASING PROGRAM**

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**FIRST AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED NOVEMBER 17, 2015**

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**THIS FIRST AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "First Amendment"), dated November 17, 2015 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**, the Commission and the County executed an Equipment Lease and Agreement dated May 5, 2015 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2015A Notes (as hereinafter defined), 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 2013 and 2014 Capital Budgets and in Exhibit B to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$29,950,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015 (the "Series 2015A Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated May 5, 2015 (the "Original Improvement Lease" and together with the Original Equipment Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2015A Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2015A Notes mature on February 1, 2016; and

**WHEREAS**, at the direction of the County, the Commission is issuing its \$39,950,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2

(the "Series 2015B-2 Notes") which will be used to refinance the maturing principal of the Series 2015A Notes and to finance additional costs of (i) the Equipment Project all as more fully described in Exhibit A to this First Amendment and (ii) the Improvement Project all as more fully described in Exhibit A to the First Amendment to Improvement Lease and Agreement, dated November 17, 2015 (the "First Amendment to Improvement Lease"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2015B-2 Notes, the Commission and the County desire to amend certain provisions of (i) the Original Equipment Lease and Exhibits A and B thereto to provide for the amendment of the Equipment Project to include additional funds to undertake additional acquisitions within the Equipment Project and the payment by the County of the Basic Rent for the Series 2015B-2 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B thereto to provide for the amendment of the Improvement Project to include additional funds to complete certain projects and undertake additional delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2015B-2 Notes allocated to the Improvement Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this First Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease are hereby deleted in their entirety and replaced by the following:

"Agreement" shall mean, collectively, the Equipment Lease and Agreement, dated May 5, 2015, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 17, 2015, and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Equipment Project Allocable Portion" shall mean the 21.22% of the par amount of the Series 2015B-2 Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2015B-2 Notes, a fee of \$16,611.84. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$2,862.22.

"Lease Payment Date" shall mean with respect to the Series B Bonds issued as the Series 2015B-2 Notes, May 17, 2016, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2015B-2 Notes, which date 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 2015B-2 Notes. 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease shall be amended to include the following:

“First Amendment” shall mean the First Amendment to the Equipment Lease and Agreement, dated November 17, 2015 and executed and delivered by the Commission and the County in connection with the issuance of the Series 2015B-2 Notes.

“Series 2015B-2 Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2 authorized and issued on November 17, 2015 in the aggregate principal amount of \$39,950,000 pursuant to Section 203 of the Resolution and a supplemental resolution related to the issuance of the Series 2015B-2 Notes adopted on October 14, 2015, as each may be supplemented and amended and references in the Original Equipment Lease to the “Series 2015 Notes” shall include the Series 2015B-2 Notes.

**Section 3. Amendment to Section 2.5(a).** Section 2.5 (a) of the Original Equipment Leases is amended and restated in its entirety to read as follows:

“SECTION 4.5. Application of Series 2015B-2 Note Proceeds and Other Funds. (a) (1) Upon original issuance of the Series 2015A Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2015A Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2015A Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2015A Notes, 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 to the Equipment Project shall be deposited into the Equipment Project Account of the Project Fund and paid in accordance with Section 503 of the Resolution.

(2) Upon original issuance of the Series 2015B-2 Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2015B-2 Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2015B-2 Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2015B-2 Notes, 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 amount of \$809,138.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.”

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 3.2 and 5.11 of the Original Equipment Lease shall include the “Official Statement” for the Series 2015B-2 Notes, dated November 5, 2015.

**Section 5. Continuing Disclosure.** A new subsection (b) to Section 5.14 of the Original Equipment Lease is hereby added to read as follows:

“(b) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November 17, 2015, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2015B-2 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.”

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this First Amendment, and all references in the Original Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this First Amendment, and all references in the Original Equipment Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Equipment Lease is hereby amended to the extent provided in this First Amendment and, except as specifically provided herein, the Original Equipment Lease shall remain in full force and effect in accordance with its terms.

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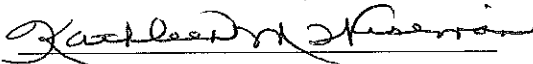


**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by an Authorized County Representative and its official seal to be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

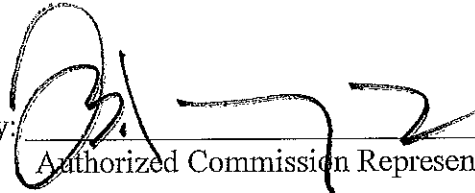
Attest:

BURLINGTON COUNTY  
BRIDGE COMMISSION

By:

  
Secretary

By:

  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:

\_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By:

\_\_\_\_\_  
Authorized County Representative

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Christina Kelly*  
*Deputy* Clerk of the Board of Chosen  
Freeholders

By: *Mary Ann C. O'Brien*  
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$39,870,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015B-2  
 Exhibit B - Equipment Lease

Participant:	County of Burlington	2015 A		2015 B		Acquisition	
		Acquisition	Cost	Acquisition	Cost	Cost	Cost
<u>2015 Lease Notes - Project Fund:</u>							
	Heavy Equipment	\$	1,010,000.00	\$	16,000.00	\$	1,026,000.00
	Capital Equipment		2,956,774.82		407,138.00		3,363,912.82
	Radio Systems/Tower Lighting/Misc.		1,090,600.00		268,400.00		1,359,000.00
	Light Duty Trucks and Sport Utility Vehicles		2,623,300.00		117,600.00		2,740,900.00
	<i>Sub-Total:</i>	\$	7,680,674.82	\$	809,138.00	\$	8,489,812.82

<i>Total Equipment Project Fund:</i>	\$	7,680,674.82	\$	809,138.00	\$	8,489,812.82
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EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$39,870,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2015B-2  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON  
 EQUIPMENT LEASE

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	Basic Rent Total Annual Amount
5/17/2016	8,460,000.00	1.500%	63,450.00	8,523,450.00	8,523,450.00

**APPENDIX F-8**

**Second Amendment to 2015 Equipment Lease**

**2016 GOVERNMENTAL LEASING PROGRAM**

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**SECOND AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT**

**BETWEEN**

**BURLINGTON COUNTY BRIDGE COMMISSION**

**AND**

**THE COUNTY OF BURLINGTON, NEW JERSEY**

**DATED APRIL 27, 2016**

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**THIS SECOND AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "Second Amendment"), dated April 27, 2016 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**, the Commission and the County executed an Equipment Lease and Agreement dated May 5, 2015 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2015A Notes (as hereinafter defined), 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 2013 and 2014 Capital Budgets and in Exhibit B to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$29,950,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015 (the "Series 2015A Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated May 5, 2015 (the "Original Improvement Lease" and together with the Original Equipment Lease, the "Original Leases"), for the financing, with a portion of the proceeds of the Series 2015A Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project" and together with the Improvement Project, the "Projects"); and

**WHEREAS**, the Series 2015A Notes were scheduled to mature on February 1, 2016; and

**WHEREAS**, on November 17, 2015, the Commission issued its \$39,870,000 principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2015B-2 (the "Series

2015B-2 Notes”) for the purpose of (i) currently refunding a \$29,950,000 portion of the Series 2015 Notes; (ii) financing an additional \$10,000,000 portion of the 2015 Capital Program and (iii) paying the costs of issuance relating to the Series 2015B-2 Notes; and

**WHEREAS**, to fully secure the Series 2015B-2 Notes, on November 17, 2015, the Commission and the County executed a First Amendment to each of the Original Leases (collectively the “First Amendments”) to provide for the payments of Rentals by the County in connection with the issuance of the Series 2015B-2 Notes (the First Amendment and together with the Original Leases, the “Lease Agreements”); and

**WHEREAS**, the Series 2015B-2 Notes mature on May 17, 2016; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$49,870,000 principal amount of its Lease Revenue Notes (Governmental Leasing Program), Series 2016B (the "Series 2016B Notes") which will be used to (i) currently refund the Series 2015B-2 Notes, (ii) finance an additional \$10,000,000 portion of the 2015 Capital Program and (iii) pay the costs of issuance relating to the Series 2016B Notes (as hereinafter defined); and

**WHEREAS**, the Commission desires to authorize a Second Amendment to the Lease Agreements (collectively the “Second Amendments”) to provide for the payments of Rentals by the County in connection with the issuance of the Series 2016B Notes; and

**WHEREAS**, payment of the principal of and interest on the Series 2016B Notes will be payable from Rental Payments to be made by the County under the terms of the Lease Agreements as further amended by the Second Amendment; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Second Amendment have been taken by the Commission and the County.

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

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease are hereby deleted in their entirety and replaced by the following:

“Agreement” shall mean, collectively, the Equipment Lease and Agreement, dated May 5, 2015, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 17, 2015, as further amended by the Second Amendment to the Equipment Lease and Agreement, dated April 27, 2016 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

“Equipment Project Allocable Portion” shall mean the 25.11% of the par amount of the Series 2016B Notes.

“Initial Commission Financing Fee” shall mean, for the issuance of the Series 2016B Notes, a fee of \$20,778.34. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$5,216.60.

“Lease Payment Date” shall mean with respect to the Series B Bonds issued as the Series 2016B Notes, April 26, 2017, or such other date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2016B Notes, which date 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 B 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.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease shall be amended to include the following:

“Second Amendments” shall mean the Second Amendment to the Equipment Lease and Agreement, dated April 27, 2016 and the Second Amendment to the Improvement Lease and Agreement, dated April 27, 2016, each executed and delivered by the Commission and the County in connection with the issuance of the Series 2016B Notes.

“Series 2016B Notes” shall mean the Commission’s Lease Revenue Notes (Governmental Leasing Program), Series 2016B authorized and issued on April 27, 2016 in the aggregate principal amount of \$49,870,000 pursuant to Section 203 of the Resolution and a supplemental resolution related to the issuance of the Series 2016B Notes adopted on March 15, 2016, as each may be supplemented and amended and references in the Original Leases, as amended by the First Amendments, to the “Series 2015 Notes” shall include the Series 2016B Notes.

**Section 3. Amendment to Section 2.5(a).** Section 2.5 (a) of the Original Equipment Leases is amended and restated in its entirety to read as follows:

“SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series 2015A Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2015A Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2015A Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2015A Notes, 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 to the Equipment Project shall be deposited into the Equipment Project Account of the Project Fund and paid in accordance with Section 503 of the Resolution.

(2) Upon original issuance of the Series 2015B-2 Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2015B-2 Notes shall be applied as follows: to the

Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2015B-2 Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2015B-2 Notes, 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 amount of \$809,138.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

(3) Upon original issuance of the Series 2016B Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2016B Notes shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2016B Notes, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2016B Notes, 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 (iii) the amount of \$8,489,800.00 for deposit in the Debt Service Account to be used to currently refund the Equipment Project Allocable Portion of the principal of the Series 2015B-2 Notes and (iv) the amount of \$4,063,187.18 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project.

**Section 4. References to Official Statement.** References to the term “Official Statement” in Sections 3.2 and 5.11 of the Original Equipment Leases, as amended by the First Amendments, shall include the “Official Statement” for the Series 2016B Notes, dated April 14, 2016.

**Section 5. Continuing Disclosure.** A new subsection (b) to Section 5.14 of the Original Equipment Lease is hereby added to read as follows:

“(c) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated April 27, 2016, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2016B 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.”

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Second Amendment, and all references in the Original Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Equipment Lease, as amended by Exhibit B to the First Amendment to Equipment Lease, is hereby deleted in its entirety and replaced by Exhibit B attached to this Second Amendment, and all references in the Original Equipment Lease to Exhibit B, as amended by Exhibit B to the First Amendment to Equipment Lease, shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Equipment Lease is hereby amended to the extent provided in this Second Amendment and, except as specifically provided herein, the Original Equipment Lease shall remain in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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:

*Kathleen M. McFerrari*  
Secretary

By:

*[Signature]*  
Authorized Commission Representative

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By:

\_\_\_\_\_  
Clerk of the Board of Chosen  
Freeholders

By:

\_\_\_\_\_  
Authorized County Representative

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an 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 an 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

Attest:

COUNTY OF BURLINGTON,  
NEW JERSEY

By: *Aime Whitley*  
Clerk of the Board of Chosen  
Freeholders

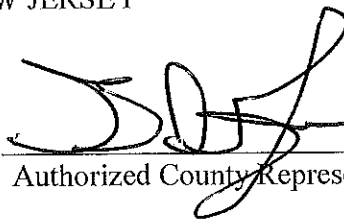
By:   
Authorized County Representative

EXHIBIT A

AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT



EXHIBIT "A"

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$49,870,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016B  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON EQUIPMENT LEASE							
Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2016 B Debt Service Funds on Deposit	Net Basic Rent Interest Amount	Basic Rent Total Annual Amount
4/26/2017	12,522,000.00	2.0000%	249,744.33	12,771,744.33	(249,744.33)	0.00	12,522,000.00

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$49,870,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2016B  
 Exhibit B - Equipment Lease

*Participant: County of Burlington*

<u>Equipment</u>	2015 A	2015 B	2016 B	Acquisition
	Acquisition <u>Cost</u>	Acquisition <u>Cost</u>	Acquisition <u>Cost</u>	Acquisition <u>Cost</u>
<i>2016 Lease Notes - Project Fund:</i>				
Heavy Equipment	\$ 1,010,000.00	\$ 16,000.00	\$ 294,000.00	\$ 1,320,000.00
Capital Equipment	2,956,774.82	407,138.00	86,087.18	3,450,000.00
Radio Systems/Tower Lighting/Misc.	1,090,600.00	268,400.00	3,124,000.00	4,483,000.00
Light Duty Trucks and Sport Utility Vehicles	2,623,300.00	117,600.00	559,100.00	3,300,000.00
<i>Sub-Total:</i>	<i>\$ 7,680,674.82</i>	<i>\$ 809,138.00</i>	<i>\$ 4,063,187.18</i>	<i>\$ 12,553,000.00</i>

<i>Total Equipment Project Fund:</i>	<i>\$ 7,680,674.82</i>	<i>\$ 809,138.00</i>	<i>\$ 4,063,187.18</i>	<i>\$ 12,553,000.00</i>
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**APPENDIX G**  
**- FORMS OF LEGAL OPINIONS OF BOND COUNSEL**

April \_\_, 2017

Burlington County Bridge Commission  
1300 Route 73 N  
Palmyra, New Jersey 08065

Re: Burlington County Bridge Commission  
\$24,905,000 Lease Revenue Notes  
(Governmental Leasing Program), Series 2017A

Dear Commissioners:

We have acted as Bond Counsel in connection with the issuance by the Burlington County Bridge Commission (the "Commission") of its Lease Revenue Notes (Governmental Leasing Program), Series 2017A in the aggregate principal amount of \$24,905,000 (the "Series 2017A Notes"). The Series 2017A Notes are issued pursuant to the provisions of the Self Liquidating Bridges Act, Chapter 17 of the Pamphlet Laws of 1934 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the "Act"), a resolution of the Commission duly adopted on June 18, 2013 entitled "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013, Consisting of County Guaranteed Lease Revenue Refunding Bonds and Lease Revenue Bonds or Notes", as amended and restated May 13, 2014 and as further supplemented and amended on October 14, 2015, March 15, 2016 and March 17, 2017 (together, the "2013 Bond Resolution").

In accordance with the terms of the 2013 Bond Resolution, the Series 2017A Notes have been awarded and sold to the purchaser thereof and certain determinations with respect to the Series 2017A Notes have been made pursuant to a certificate duly executed by an Authorized Commission Officer on April 12, 2017 (the "2017A Note Series Certificate"), the execution of which was authorized pursuant to the 2013 Bond Resolution. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the 2013 Bond Resolution.

The Series 2017A Notes are dated April 25, 2017, mature on April 24, 2018, bear interest at a rate of 2.00% per annum payable at maturity, and are not subject to redemption prior to maturity. Principal of and interest on the Series 2017A Notes are payable by presentation and surrender thereof at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey (the "Trustee").

The Series 2017A Notes will be initially issued in book-entry form only, in the form of one certificate for the aggregate principal amount of the Series 2017A Notes, registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearinghouse for securities transactions. Purchases of the Series 2017A Notes will be made in book-entry-only form (without certificates) in denominations of

\$5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Series 2017A Notes, payment of the principal of and interest on the Series 2017A Notes will be made by the Trustee directly to Cede & Co., as nominee for DTC, in immediately available funds when due. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2017A Notes is the responsibility of the DTC participants and not the responsibility of the Commission or the Trustee.

The Series 2017A Notes are being issued for the purpose of: (i) currently refunding a \$24,905,000 portion of Lease Revenue Notes (Governmental Leasing Program), Series 2016A (the "2016 Refunded Notes") of the Commission maturing on April 26, 2017 and (ii) paying costs and expenses associated with the issuance of the Series 2017A Notes (collectively, the "2017A Project"). The 2016 Refunded Notes refunded a series of notes issued originally issued in 2013 to finance the costs of the 2012 Capital Budget of the County of Burlington, New Jersey (the "County") involving the construction of various infrastructure improvements (the "Improvements") and the acquisition and installation of various items of capital equipment (the "Equipment" and together with the Improvements, the "2013 County Capital Program").

As of April 25, 2017, the Commission and the County have entered into (i) a Fifth Amendment (the "Fifth Amendment to the Improvement Lease") to the Improvement Lease and Agreement, dated November 19, 2013, as previously supplemented and amended (the "Original Improvement Lease" and together with the Fifth Amendment, the "2013 Improvement Lease"), with respect to the Improvements (the "2013 Improvements") and (ii) a Fifth Amendment (the "Fifth Amendment to the Equipment Lease" and together with the Fifth Amendment to the Improvement Lease, the "Fifth Amendments") to the Equipment Lease and Agreement, dated November 19, 2013 as previously supplemented and amended (the "Original Equipment Lease" and together with the Fifth Amendment to the Equipment Lease, the "2013 Leases"), with respect to the Equipment (the "2013 Equipment").

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Series 2017A Notes, including among other things: (a) evidence of the formation and organization of the Commission; (b) certified copies of the 2013 Bond Resolution, the Series Certificate and the 2013 Leases; (c) the Act, the Local Authorities Fiscal Control Law, *N.J.S.A. 40A:5A- 1 et. seq.* and the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"); (d) a certified copy of the results and findings of the New Jersey Local Finance Board, as supplemented; and (e) certificates of Commission officials, County officials and the Trustee as to material factual matters, including a certificate of the Commission pursuant to the federal income tax laws and regulations applicable to the Series 2017A Notes. We have also examined the authenticated Series 2017A Notes. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Commission has been duly created and is validly existing as a public body corporate and politic under the provisions of the Constitution and statutes of the State of New Jersey, including the Act, with power to adopt the 2013 Bond Resolution and to issue the Series 2017A Notes.

2. The 2013 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 2013 Bond Resolution is required. The Series Certificate has been duly and validly executed by an Authorized Commission Representative.

3. The Series 2017A Notes have been duly authorized and issued by the Commission in accordance with the Act and the provisions of the 2013 Bond Resolution and the Series Certificate, are valid and binding special obligations of the Commission enforceable in accordance with their terms and the terms of the 2013 Bond Resolution, and are entitled to the benefits of the 2013 Bond Resolution and the Act.

4. The 2013 Bond Resolution creates a valid pledge of the Pledged Property held or set aside under the 2013 Bond Resolution, subject only to the application thereof by the Commission for the purposes and on the terms and conditions set forth in the 2013 Bond Resolution.

5. The Commission and the County have the power and authority to enter into the 2013 Leases. The 2013 Leases have been duly authorized, executed and delivered by the Commission and the County, and create valid and binding obligations of the Commission and the County, respectively, and such obligations are enforceable in accordance with their respective terms. The County is obligated to make any required payments under the terms of the 2013 Leases out of the first funds becoming legally available to the County for this purpose, and to provide the funds for such payments, if not otherwise available, from the levy of *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County without limitation as to rate or amount.

6. Assuming continuing compliance by the Commission and the County with the provisions of the Code pertaining to the issuance of the Series 2017A Notes, interest on the Series 2017A Notes is excludable from gross income of the owners thereof for federal income tax purposes under current law, and will not be a specific preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. For certain corporate holders, interest on the Series 2017A Notes is includable in adjusted current earnings for purposes of computing such holders' alternative minimum tax liability.

7. Interest on the Series 2017A Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally.

Other than as set forth in Paragraphs 6 and 7 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Series 2017A Notes.

April \_\_, 2017

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We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Series 2017A Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,



April \_\_, 2017

Burlington County Bridge Commission  
1300 Route 73 N  
Palmyra, New Jersey 08065

Re: Burlington County Bridge Commission  
\$52,370,000 Lease Revenue Notes  
(Governmental Leasing Program), Series 2017B

Dear Commissioners:

We have acted as Bond Counsel in connection with the issuance by the Burlington County Bridge Commission (the "Commission") of its Lease Revenue Notes (Governmental Leasing Program), Series 2017B in the aggregate principal amount of \$52,370,000 (the "Series 2017B Notes"). The Series 2017B Notes are issued pursuant to the provisions of the Self Liquidating Bridges Act, Chapter 17 of the Pamphlet Laws of 1934 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the "Act"), and a resolution of the Commission duly adopted on March 10, 2015 entitled "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of Lease Revenue Bonds Or Notes (Governmental Leasing Program), Series 2015," as supplemented and amended on October 14, 2015, March 15, 2016 and March 17, 2017 (together, the "2015 Bond Resolution").

In accordance with the terms of the 2015 Bond Resolution, the Series 2017B Notes have been awarded and sold to the purchaser thereof and certain determinations with respect to the Series 2017B Notes have been made pursuant to certificates duly executed by an Authorized Commission Officer on April 12, 2017 (the "2017B Note Series Certificate"), the execution of which was authorized pursuant to the 2015 Bond Resolution. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the 2015 Bond Resolution.

The Series 2017B Notes are dated April 25, 2017, mature on April 24, 2018, bear interest at a rate of 2.00% per annum payable at maturity, and are not subject to redemption prior to maturity. Principal of and interest on the Series 2017B Notes are payable by presentation and surrender thereof at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey (the "Trustee").

The Series 2017B Notes will be initially issued in book-entry form only, in the form of one certificate for the aggregate principal amount of the Series 2017B Notes, registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearinghouse for securities transactions. Purchases of the Series 2017B Notes will be made in book-entry-only form (without certificates) in denominations of \$5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the

Series 2017B Notes, payment of the principal of and interest on the Series 2017B Notes will be made by the Trustee directly to Cede & Co., as nominee for DTC, in immediately available funds when due. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2017B Notes is the responsibility of the DTC participants and not the responsibility of the Commission or the Trustee.

The Series 2017B Notes are being issued for the purpose of: (i) currently refunding all of the outstanding \$49,870,000 aggregate principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2016B (the “2016 Refunded Notes”, or “Prior Notes”) of the Commission maturing on April 26, 2017; (ii) financing an additional \$2,500,000 portion of the 2015 County Capital Program (as herein defined) and (iii) paying costs and expenses associated with the issuance of the Series 2017B Notes (collectively, the “2017B Project”). The Prior Notes refunded a series of notes issued in 2015 to finance the costs of the 2013 and 2014 Capital Programs of the County of Burlington, New Jersey (the “County”) involving the construction of various infrastructure improvements (the “Improvements”) and the acquisition and installation of various items of capital equipment (the “Equipment” and together with the Improvements, the “2015 County Capital Program”).

As of April 25, 2017, the Commission and the County have entered into (i) a Third Amendment (the “Third Amendment to the Improvement Lease to the Improvement Lease and Agreement, dated May 5, 2015 with the County (the “Original Improvement Lease”), as previously amended and supplemented (together with the Original Improvement Lease, and the Third Amendment to the Improvement Lease, the “2015 Improvement Lease”), with respect to the Improvements (the “2015 Improvements”) and (ii) a Third Amendment (the “Third Amendment to the Equipment Lease” and together with the Third Amendment to the Improvement Lease, the “Third Amendments”) to the Equipment Lease and Agreement, dated May 5, 2015 (the “Original Equipment Lease”), as previously amended and supplemented (together with the Original Equipment Lease and the Third Amendment to the Equipment Lease, the “2015 Equipment Lease” and together with the 2015 Improvement Lease, the “2015 Leases”), with respect to the Equipment (the “2015 Equipment”).

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Series 2017B Notes, including among other things: (a) evidence of the formation and organization of the Commission; (b) certified copies of the 2015 Bond Resolution, the 2107B Note Series Certificate and the 2015 Leases; (c) the Act, the Local Authorities Fiscal Control Law, *N.J.S.A. 40A:5A- 1 et. seq.* and the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”); (d) a certified copy of the results and findings of the New Jersey Local Finance Board, as supplemented; and (e) certificates of Commission officials, County officials and the Trustee as to material factual matters, including a certificate of the Commission pursuant to the federal income tax laws and regulations applicable to the Series 2017B Notes. We have also examined the authenticated Series 2017B Notes. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Commission has been duly created and is validly existing as a public body corporate and politic under the provisions of the Constitution and statutes of the State of New Jersey, including the Act, with power to adopt the 2015 Bond Resolution and to issue the Series 2017B Notes.

2. The 2015 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 2015 Bond Resolution is required. The Series Certificate has been duly and validly executed by an Authorized Commission Representative.

3. The Series 2017B Notes have been duly authorized and issued by the Commission in accordance with the Act and the provisions of the 2015 Bond Resolution and the 2017B Note Series Certificate, are valid and binding special obligations of the Commission enforceable in accordance with their terms and the terms of the 2015 Bond Resolution, and are entitled to the benefits of the 2015 Bond Resolution and the Act.

4. The 2015 Bond Resolution creates a valid pledge of the Pledged Property held or set aside under the 2015 Bond Resolution, subject only to the application thereof by the Commission for the purposes and on the terms and conditions set forth in the 2015 Bond Resolution.

5. The Commission and the County have the power and authority to enter into the 2015 Leases. The 2015 Leases have been duly authorized, executed and delivered by the Commission and the County, and create valid and binding obligations of the Commission and the County, respectively, and such obligations are enforceable in accordance with their respective terms. The County is obligated to make any required payments under the terms of the 2015 Leases out of the first funds becoming legally available to the County for this purpose, and to provide the funds for such payments, if not otherwise available, from the levy of *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County without limitation as to rate or amount.

6. Assuming continuing compliance by the Commission and the County with the provisions of the Code pertaining to the issuance of the Series 2017B Notes, interest on the Series 2017B Notes is excludable from gross income of the owners thereof for federal income tax purposes under current law, and will not be a specific preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. For certain corporate holders, interest on the Series 2017B Notes is includable in adjusted current earnings for purposes of computing such holders' alternative minimum tax liability.

7. Interest on the Series 2017B Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally.

April \_\_\_\_, 2017

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Other than as set forth in Paragraphs 6 and 7 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Series 2017B Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Series 2017B Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

**APPENDIX H**  
**- FORM OF CONTINUING DISCLOSURE AGREEMENT**

## **CONTINUING DISCLOSURE AGREEMENT**

**THIS CONTINUING DISCLOSURE AGREEMENT** dated \_\_\_\_\_, 2017 (the "Disclosure Agreement") is executed between the Burlington County Bridge Commission (the "Commission" or the "Issuer") and TD Bank, National Association, Cherry Hill, New Jersey, as dissemination agent (the "Dissemination Agent"), in connection with the issuance by the Commission of \$ \_\_\_\_\_ aggregate principal amount of Lease Revenue Notes (Governmental Leasing Program), Series 2017, consisting of \$ \_\_\_\_\_ Lease Revenue Notes (Governmental Leasing Program), Series 2017A (the "2017A Notes") and \$ \_\_\_\_\_ Lease Revenue Notes (Governmental Leasing Program), Series 2017B (the "2017B Notes" and together with the 2017A Notes, the "Notes").

### **WITNESSETH:**

**WHEREAS**, pursuant to a Purchase Contract dated April \_\_, 2017 (the "Purchase Contract"), by and between the Commission and PNC Capital Markets, LLC, as underwriter (the "Underwriter"), the Commission is selling the Notes to the Underwriter; and

**WHEREAS**, the Notes are authorized and issued by the Commission pursuant to (i) the Self-Liquidating Bridges Act, constituting Chapter 17 of the Laws of 1934 of the State of New Jersey (the "State"), as amended and supplemented (the "Act"), (ii) a resolution of the Commission duly adopted on June 18, 2013 entitled "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2013, Consisting of County Guaranteed Lease Revenue Refunding Bonds and Lease Revenue Bonds or Notes", as amended and restated May 13, 2014 and as further amended and supplemented on October 14, 2015, March 15, 2016 and March 17, 2017 (collectively, the "2013 Bond Resolution"), as further supplemented and amended, including by a certificate of the Executive Director of the Commission, dated April \_\_, 2017 (the "2017A Series Certificate") (iii) a resolution of the Commission duly adopted on March 10, 2015 entitled "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of Lease Revenue Bonds Or Notes (Governmental Leasing Program), Series 2015," as amended and supplemented on October 14, 2015, March 15, 2016 and March 17, 2017 (collectively, the "2015 Bond Resolution" and together with the 2013 Bond Resolution, the "Bond Resolutions"), as further supplemented and amended by a certificate of the Executive Director of the Commission, dated April \_\_, 2017 (the "2017B Series Certificate" and together with the 2017A Series Certificate, the "Series Certificates"), and (iv) the Purchase Contract; and

**WHEREAS**, the 2017A Notes are being issued for the purpose of: (i) currently refunding a \$24,905,000 portion of the Commission's outstanding \$24,905,000 aggregate principal amount of the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2016A (the "2016A Refunded Notes") maturing on April 26, 2017; and (ii) paying costs and expenses associated with the issuance of the 2017A Notes (collectively, the "2017A Project"); and

**WHEREAS**, the 2017B Notes are being issued for the purpose of: (i) currently refunding all of the outstanding \$49,870,000 aggregate principal amount of the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2016 (the "2016B Refunded Notes" and

together with the 2016A Refunded Notes, the "Prior Notes") maturing on April 26, 2017 ; (ii) financing an additional \$2,500,000 in capital projects of the County of Burlington, New Jersey (the "County") and (iii) paying costs and expenses associated with the issuance of the 2017B Notes (collectively, the "2017B Project" and together with the Bond Projects and 2017A Project, the "Project"); and

**WHEREAS**, Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person for whom financial or operating data is presented in the final official statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain disclosure events; and

**WHEREAS**, in order to induce the Underwriter to purchase the Notes, the Commission has agreed to undertake to provide notice of certain Listed Events (as hereinafter defined) required by the Rule;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Commission and the Dissemination Agent, each binding itself, its successors and assigns, agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Commission and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Notes to assist the Underwriter in complying with the Rule. The Commission acknowledges that it is an "Obligated Person" under the Rule (as defined in the Rule) and that, except as provided in this Disclosure Agreement, the Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Beneficial Owner of the Notes, with respect to any such reports, notices or disclosures or the Rule.

**SECTION 2. Definitions.** Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for Federal income tax purposes.

"Commission Disclosure Representative" shall mean the Executive Director of the Commission or their designee, or such other person as the Commission shall designate in writing to the Dissemination Agent from time to time for the purposes of this Disclosure Agreement.

"Dissemination Agent" shall mean TD Bank, National Association, Cherry Hill, New Jersey, or any successor Dissemination Agent designated in writing by the Commission and which has filed with the Commission a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, via the internet facilities of the Electronic Municipal Market Access System ("EMMA").

"Rule" shall mean Rule 15c(2)-12 promulgated and adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

"Trustee" shall mean the trustee appointed by the Commission under the Bond Resolutions.

"Underwriter" shall mean PNC Capital Markets, LLC, the original underwriter of the Notes (pursuant to the Purchase Contract), required to comply with the Rule in connection with the offering of the Notes.

### **SECTION 3. Reporting of Significant Events.**

(a) This Section 3 shall govern the giving of notices of the occurrence of any of the following events (each a "Listed Event" and, collectively, the "Listed Events") with respect to the Notes, as applicable:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with



respect to the tax status of the Notes or other material events affecting the tax status of the Notes;

7. modifications to rights of Holders of the Notes, if material;
8. Calls on the Notes (excluding mandatory sinking fund redemption), if material; or tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Notes;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) If the Commission determines that an occurrence of a Listed Event is material under applicable federal securities laws, the Commission shall promptly (within 10 business days) notify the Dissemination Agent in writing.

(c) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Commission Disclosure Representative, inform such person of the Listed Event, and request that the Commission promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f) hereof.

(d) Whenever the Commission obtains knowledge of the occurrence of a Listed Event because of a notice from the Dissemination Agent pursuant to subsection (c) hereof or otherwise, the Commission shall determine as soon as possible if such event would be material under applicable federal securities laws.

(e) If in response to a request under subsection (c) hereof, the Commission determines that the Listed Event would not be material under applicable federal securities laws, the Commission shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f) hereof.

(f) If the Dissemination Agent has been instructed by the Commission to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, with a copy to the Commission and the County. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection (f) any earlier than the notice (if any) of the underlying event is given to affected registered owners pursuant to the Bond Resolutions.

(g) The obligations of the Commission or the Dissemination Agent under this Disclosure Agreement to provide notice are in addition to, and not in substitution of, any obligations of the Trustee to provide notices of events of default to registered owners under the terms of the Bond Resolutions. Nothing in this Disclosure Agreement, however, is intended to modify or limit the rights of the Trustee under the Bond Resolutions to provide notices or other information as it deems necessary in the performance of its duties thereunder.

**SECTION 4. Termination of Reporting Obligation.** The Commission's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes or when the Commission is each no longer an "Obligated Person" in accordance with the Rule (as defined in the Rule) which determination shall be made by the Commission.

**SECTION 5. Prior Compliance With the Rule.** The Commission represents and warrants that, except as set forth in the Official Statement issued in connection with the Notes, it has not failed to materially comply with previous undertakings to provide secondary market disclosure pursuant to the Rule.

**SECTION 6. Dissemination Agent; Compensation.** The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be TD Bank, National Association, Cherry Hill, New Jersey. The Commission agrees that any corporation or association into which the Dissemination Agent may be merged or to which it may sell or transfer its corporate trust business and assets, shall be and become successor Dissemination Agent hereunder without any further act, deed or conveyance. The Commission shall compensate the Dissemination Agent for the performance of its obligations hereunder in accordance with an agreed upon fee structure. The Dissemination Agent may resign its position hereunder upon sixty (60) days prior written notice to the Trustee, the Commission, which notice shall be provided in accordance with Section 12 hereof.

**SECTION 7. Amendment; Waiver.** (a) Without the consent of any Holders of the Notes, the Commission may at any time and from time to time may enter into any amendments or modifications to this Disclosure Agreement for any of the following purposes:

- (i) to add to covenants and agreements of the Commission hereunder for the benefit of the Holders of the Notes, or to surrender any right or power

conferred upon the Commission by this Disclosure Certificate;

- (ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Commission or to reflect changes in the identity, nature or status of the County or in the business, structure or operations of the Commission or any mergers, consolidations, acquisitions or dispositions made by or affecting the Commission; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or
- (iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Disclosure Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification,

provided, that prior to approving any such amendment or modification, the Commission determines that such amendment or modifications does not adversely affect the interests of the Holders of the Notes in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Disclosure Agreement, the Commission shall deliver, or cause the Dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(c) The Commission shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Commission to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

**SECTION 8. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Commission chooses to include any information in any notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Commission shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

**SECTION 9. Default.** In the event of a failure of the Commission to comply with any provision of this Disclosure Agreement, the Trustee (if other than the Dissemination Agent) or Dissemination Agent may, upon notification of the same by the Commission (and, at the request of the Holders of at least a majority of aggregate principal amount of Outstanding Notes, shall), or any Beneficial Owner of the Notes may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Commission, as the case may be, to comply with its respective obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Commission, as applicable, to comply with this Disclosure Agreement shall be an action to compel specific performance.

**SECTION 10. Duties, Immunities and Liabilities of the Dissemination Agent and the Commission.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and, to the extent permitted by State law, the Commission agrees to indemnify and hold the Dissemination Agent and their respective members, officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct or the Commission's negligence or willful misconduct. The Commission further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Agreement. The obligations of the Commission under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

**SECTION 11. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Commission, the Trustee (if other than the Dissemination Agent), the Dissemination Agent, the Underwriter, and the Beneficial Owners of the Notes, including Holders of the Notes, and shall create no rights in any other person or entity.

**SECTION 12. Notices.** All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

- (a) To the Commission: Burlington County Bridge Commission  
1300 State Highway, Route 73  
Palmyra, New Jersey 08065  
Attention: Executive Director
- (b) To the Dissemination Agent: TD Bank, National Association  
1006 Astoria Blvd.  
Cherry Hill, New Jersey 08034  
Attention: Corporate Trust Department

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

**SECTION 13. Counterparts.** This Disclosure Agreement may be executed in any number of counterparts which shall be executed by an Authorized Commission Representative, and by an authorized signatory of the Dissemination Agent, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

**SECTION 14. Severability.** If any one or more of the covenants or agreements in this Disclosure Agreement to be performed on the part of the Commission, or the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Agreement.

**SECTION 15. Governing Law.** This Disclosure Agreement shall be construed in accordance with and governed by the Laws of the United States of America and State.

**IN WITNESS WHEREOF**, the undersigned have caused this Continuing Disclosure Agreement to be executed by their duly authorized signatures as of the date first above written.

BURLINGTON COUNTY BRIDGE COMMISSION

BY: \_\_\_\_\_  
Authorized Officer

TD BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

BY: \_\_\_\_\_  
Authorized Officer