

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel ("Bond Counsel") to the Authority (as hereinafter defined), assuming continuing compliance by the Authority and the County (as hereinafter defined) with their respective tax covenants described herein, under existing law, interest on the Series 2017 Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code. In the case of certain corporations that own the Series 2017 Bonds, the interest thereon will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2017 Bonds in "adjusted current earnings." In addition, interest on the Series 2017 Bonds may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. Interest on the Series 2017 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed. See "TAX MATTERS" herein.

**THE CAMDEN COUNTY IMPROVEMENT AUTHORITY  
(Camden County, New Jersey)**

**\$20,355,000 COUNTY GUARANTEED LOAN REVENUE BONDS  
(COUNTY CAPITAL PROGRAM), SERIES A OF 2017**

and

**\$24,510,000 COUNTY GUARANTEED LOAN REVENUE  
REFUNDING BONDS, SERIES B OF 2017**

**Dated: Date of Delivery**

**Due: As Shown on Inside Front Cover**

The \$20,355,000 aggregate principal amount of County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017 (the "Series 2017A Bonds") and \$24,510,000 aggregate principal amount of County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017 (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds") are being issued by The Camden County Improvement Authority (the "Authority"), a political subdivision and public body corporate and politic of the State of New Jersey (the "State"), pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); (ii) a bond resolution of the Authority duly adopted on September 14, 2017 and an Award Certificate executed by the Executive Director of the Authority in accordance with the terms of a delegation resolution of the Authority adopted on September 14, 2017 (collectively, the "2017 Bond Resolution") authorizing the execution of same; and (iii) a bond purchase contract by and between the Authority and the Underwriter, dated November 2, 2017. The Series 2017 Bonds will be issued in fully registered form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. Individual purchases of each Series of the Series 2017 Bonds will be made in book-entry form (without certificates) in denominations of \$5,000 or any integral multiple thereof. The principal of each Series of the Series 2017 Bonds is payable on their respective maturity dates, in the respective years and in the respective amounts set forth on the inside front cover page hereof. Interest on the Series 2017 Bonds is payable semi-annually on January 15 and July 15 of each year, commencing January 15, 2018, until maturity or earlier redemption thereof at the respective rates set forth on the inside front cover page hereof. The principal or Redemption Price (as hereinafter defined) of the Series 2017 Bonds will be payable upon presentation and surrender thereof at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey (the "Trustee," "Paying Agent" and "Registrar").

So long as Cede & Co. is the registered owner of the Series 2017 Bonds, payments of principal or Redemption Price of and interest on the Series 2017 Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to DTC Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter defined) of the Series 2017 Bonds. Purchasers will not receive certificates representing their beneficial ownership interest in the applicable Series of the Series 2017 Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Series 2017 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal or Redemption Price of and interest on such Series 2017 Bond.

The Authority and the County of Camden, New Jersey (the "County") have entered into a Loan and Security Agreement, dated as of November 1, 2017 (the "2017 Loan Agreement"), pursuant to which the Authority will lend to the County: (i) the proceeds of the Series 2017A Bonds which will be used to pay (a) the Costs (as defined in the 2017 Loan Agreement) of the County's capital improvement program consisting of the acquisition and installation of certain items of capital equipment and the construction and equipping of certain capital infrastructure improvements by the County as set forth in the County's 2016 and 2017 Capital Budgets, all as more particularly described in Exhibit G to the 2017 Loan Agreement (collectively referred to as the "2017 County Capital Program"), and (b) paying the costs of issuing the Series 2017A Bonds; and (ii) the proceeds of the Series 2017B Bonds which will be used for the purpose of (a) advance refunding all or a portion of the \$24,815,000 aggregate principal amount of the Authority's outstanding County Guaranteed Loan Revenue Bonds (County Capital Program), Series 2013 maturing serially on January 15 in each of the years 2023 through 2029, inclusive (the "Refunded Bonds") (the advance refunding of the Refunded Bonds is hereinafter referred to as the "2017 Refunding Project" and together with the 2017 County Capital Program, the "2017 Project"), and (b) paying the costs of issuing the Series 2017B Bonds. Pursuant to the 2017 Loan Agreement, the County will make Loan Payments (as defined in the Loan Agreement) to the Authority in an aggregate amount equal to the principal of, redemption premium, if any, and interest on each Series of the Series 2017 Bonds and, as applicable, Additional Loan Payments (as defined in the 2017 Loan Agreement) as the same become due and payable on each Loan Payment Date (as defined in the 2017 Loan Agreement). See "PURPOSE OF THE SERIES 2017 BOND ISSUE" herein.

The Series 2017 Bonds are direct, limited and special obligations of the Authority payable solely from the Revenues (as defined in the 2017 Bond Resolution) and secured by the Pledged Property (as defined in the 2017 Bond Resolution). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS" herein. The Revenues include, among other things, the Loan Payments to be made by the County under the 2017 Loan Agreement. The 2017 Loan Agreement is a valid and enforceable full faith and credit general obligation of the County and, unless paid from other sources, is payable from the levy of *ad valorem* taxes upon all taxable property within the jurisdiction of the County without limitation as to rate or amount. The Series 2017 Bonds are also secured by the provisions of a Guaranty of the County (the "County Guaranty"), pursuant to which the County has unconditionally guaranteed the payment, when due, of the principal of and interest on the Series 2017 Bonds and will be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all taxable property within the jurisdiction of the County for the payment, when due, of the principal of and interest on the Series 2017 Bonds without limitation as to rate or amount when required under the provisions of applicable law and the County Guaranty.

The Series 2017 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2017 BONDS - Redemption" herein.

THE SERIES 2017 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, TO THE EXTENT OF ITS LOAN PAYMENTS AND THE COUNTY GUARANTY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE OR ANY SUCH SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, TO THE EXTENT OF ITS LOAN PAYMENTS AND THE COUNTY GUARANTY) EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY HAS NO TAXING POWER.

**This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to their making an informed investment decision.**

The Series 2017 Bonds are offered when, as and if issued by the Authority, subject to the approval of certain legal matters by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, and certain other conditions. Certain matters will be passed upon for the Authority by its counsel, Maressa Patterson LLC, Berlin, New Jersey; for the County by the Office of the County Counsel of the County and by Bond Counsel to the County, McCarter & English, LLP, Newark, New Jersey; and for the Underwriter by its counsel, Obermayer Rebmann Maxwell & Hipple LLP, Cherry Hill, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey has acted as Financial Advisor to the Authority in connection with the issuance of the Series 2017 Bonds. It is expected that the Series 2017 Bonds will be available for delivery through the facilities at DTC in Jersey City, New Jersey on or about November 15, 2017.

**RBC Capital Markets**

**THE CAMDEN COUNTY IMPROVEMENT AUTHORITY  
(Camden County, New Jersey)**

**MATURITY SCHEDULES**

**\$20,355,000 COUNTY GUARANTEED LOAN REVENUE BONDS  
(COUNTY CAPITAL PROGRAM), SERIES A OF 2017**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP No.**</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP No.**</b>
01/15/2018	605,000	2.000%	1.050%	13281NVM1	01/15/2029	905,000*	5.000%	2.500%	13281NVY5
01/15/2019	560,000	3.000%	1.180%	13281NVN9	01/15/2030	950,000*	5.000%	2.600%	13281NVZ2
01/15/2020	580,000	4.000%	1.270%	13281NVP4	01/15/2031	1,000,000*	5.000%	2.710%	13281NWA6
01/15/2021	605,000	5.000%	1.400%	13281NVQ2	01/15/2032	1,050,000*	5.000%	2.720%	13281NWB4
01/15/2022	635,000	5.000%	1.540%	13281NVR0	01/15/2033	1,105,000*	5.000%	2.780%	13281NWC2
01/15/2023	670,000	5.000%	1.720%	13281NVS8	01/15/2034	1,160,000*	5.000%	2.840%	13281NWD0
01/15/2024	705,000	5.000%	1.870%	13281NVT6	01/15/2035	1,220,000*	5.000%	2.890%	13281NWE8
01/15/2025	740,000	5.000%	1.990%	13281NVU3	01/15/2036	1,275,000*	4.000%	3.240%	13281NWF5
01/15/2026	775,000	5.000%	2.160%	13281NVV1	01/15/2037	1,325,000*	4.000%	3.270%	13281NWG3
01/15/2027	815,000	5.000%	2.260%	13281NVW9	01/15/2038	1,380,000*	4.000%	3.300%	13281NWH1
01/15/2028	860,000*	5.000%	2.390%	13281NVX7	01/15/2039	1,435,000*	4.000%	3.330%	13281NWX7

\* Yield calculated to January 15, 2027 Optional Call Date.

**\$24,510,000 COUNTY GUARANTEED LOAN REVENUE  
REFUNDING BONDS, SERIES B OF 2017**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP No.**</b>
01/15/2018	340,000	3.000%	1.050%	13281NWK4
01/15/2023	3,205,000	4.000%	1.720%	13281NWQ1
01/15/2024	3,335,000	4.000%	1.870%	13281NWR9
01/15/2025	3,510,000	4.000%	1.990%	13281NWS7
01/15/2026	3,485,000	4.000%	2.160%	13281NWT5
01/15/2027	3,480,000	4.000%	2.260%	13281NWU2
01/15/2028	3,580,000*	5.000%	2.390%	13281NWX0
01/15/2029	3,575,000*	5.000%	2.500%	13281NWX8

\* Yield calculated to January 15, 2027 Optional Call Date.

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

**THE CAMDEN COUNTY IMPROVEMENT AUTHORITY**

Voorhees Town Center  
2220 Voorhees Town Center  
Voorhees, New Jersey 08043

**AUTHORITY MEMBERS**

William R. Hosey ..... Chairman  
Linda M. Rohrer ..... Vice Chair  
Joseph P. Schooley..... Member  
William W. Spearman..... Member  
Reginald C. Stevenson ..... Member

**INTERIM EXECUTIVE DIRECTOR**

Christopher A. Orlando

**GENERAL COUNSEL**

Maressa Patterson LLC  
Berlin, New Jersey

**BOND COUNSEL**

Parker McCay P.A.  
Mount Laurel, New Jersey

**FINANCIAL ADVISOR**

Acacia Financial Group, Inc.  
Mount Laurel, New Jersey

**BOND TRUSTEE, REGISTRAR AND PAYING AGENT**

TD Bank, National Association  
Cherry Hill, New Jersey

**COUNTY OF CAMDEN, NEW JERSEY**

Courthouse  
520 Market Street  
Camden, New Jersey 08102

**BOARD OF CHOSEN FREEHOLDERS**

Louis Cappelli, Jr. ....	Director
Edward T. McDonnell .....	Deputy Director
Susan Shin Angulo.....	Freeholder
William F. Moen, Jr.....	Freeholder
Jeffrey L. Nash .....	Freeholder
Carmen G. Rodriguez .....	Freeholder
Jonathan L. Young, Sr. ....	Freeholder

**CLERK OF THE BOARD OF CHOSEN FREEHOLDERS**

Karyn Gilmore

**COUNTY ADMINISTRATIVE OFFICERS**

Ross Angilella .....	Administrator
David McPeak .....	Chief Financial Officer
Christopher A. Orlando, Esquire .....	County Counsel

**COUNTY BOND COUNSEL**

McCarter & English, LLP  
Newark, New Jersey

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

The information which is set forth herein has been provided by The Camden County Improvement Authority (the "Authority"), the County of Camden, New Jersey (the "County"), The Depository Trust Company ("DTC") and by other sources which are believed to be reliable by the Authority, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Authority. Certain general and financial information concerning the County is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the County. The Authority has not confirmed the accuracy or completeness of such information (except in those limited instances in which the Authority has provided information to the County, which the County has included in Appendix "A") and the Authority disclaims any responsibility for the accuracy or completeness thereof (except in those limited instances in which the Authority has provided information to the County, which the County has included in Appendix "A").

The Underwriter has reviewed this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee 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 therein. This Official Statement is submitted in connection with the sale of the Series 2017 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesman or any other person has been authorized by the Authority to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2017 Bonds; 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 a solicitation of an offer to buy, nor shall there be any sale of the Series 2017 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information 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 Authority or the County since the date hereof.

THE SERIES 2017 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE 2017 BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2017 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2017 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES

NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2017 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

The order and placement of materials in this Official Statement, including the Appendices, are not 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

Relating to

**THE CAMDEN COUNTY IMPROVEMENT AUTHORITY  
(Camden County, New Jersey)**

**\$20,355,000 COUNTY GUARANTEED LOAN REVENUE BONDS  
(COUNTY CAPITAL PROGRAM), SERIES A OF 2017**

and

**\$24,510,000 COUNTY GUARANTEED LOAN REVENUE  
REFUNDING BONDS, SERIES B OF 2017**

## INTRODUCTION

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by The Camden County Improvement Authority (the “Authority”), a political subdivision and public body corporate and politic of the State of New Jersey (the “State”), to provide certain information relating to: (i) the Authority; (ii) the capital improvements to be constructed and the capital equipment to be acquired and installed by the County of Camden, New Jersey (the “County”) with the proceeds of the Series 2017A Bonds (as hereinafter defined); (iii) the County itself, (iv) the \$20,355,000 aggregate principal amount of County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017 (the “Series 2017A Bonds”); and (v) the \$24,510,000 aggregate principal amount of County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017 (the “Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”).

Capitalized words and terms which are used herein which are not ordinarily capitalized and which are not otherwise defined herein shall have the meanings which are assigned to such words and terms in the 2017 Bond Resolution (as hereinafter defined) or the 2017 Loan Agreement (as hereinafter defined), as the case may be, copies or forms of which, as applicable, are included in Appendix “C” hereto.

The Series 2017 Bonds are issued pursuant to the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State (*N.J.S.A. 40:37A-44 et seq.*), and the acts amendatory thereof and supplemental thereto (the “Act”), and a bond resolution of the Authority duly adopted on September 14, 2017 and an Award Certificate (the “Award Certificate”) executed by the Executive Director of the Authority in accordance with the terms of a delegation resolution of the Authority adopted on September 14, 2017 (collectively, the “2017 Bond Resolution”) authorizing the execution of same and a bond purchase contract.

The Series 2017A Bonds are being issued by the Authority to provide funds which will be used to pay: (i) the Costs of the capital improvement program consisting of the acquisition and installation of certain items of capital equipment and the construction and equipping of certain capital infrastructure improvements by the County as set forth in the County’s 2016 and 2017 Capital Budgets, all as more particularly described in Exhibit G to the 2017 Loan Agreement (collectively, the “2017 County Capital Program”); and (ii) the costs of issuance with respect to the sale and delivery of the Series 2017A Bonds.

The Series 2017B Bonds are being issued by the Authority to provide funds which will be used to: (i) provide for the advance refunding of all or a portion of the \$24,815,000 aggregate principal amount of the Authority's outstanding County Guaranteed Loan Revenue Bonds (County Capital Program), Series 2013 maturing serially on January 15 in each of the years 2023 through 2029, inclusive (the "Refunded Bonds") (the advance refunding of the Refunded Bonds is hereinafter referred to as the "2017 Refunding Project" and together with the 2017 County Capital Program, the "2017 Project"); and (ii) pay the costs of issuance with respect to the sale and delivery of the Series 2017B Bonds. TD Bank, National Association, Cherry Hill, New Jersey, has been appointed by the Authority pursuant to the 2017 Bond Resolution to serve as trustee, paying agent and registrar (the "Trustee," "Paying Agent" and "Registrar") for the Series 2017 Bonds.

In connection with the issuance of the Series 2017 Bonds, the Authority and the County will enter into a Loan and Security Agreement, dated as of November 1, 2017 (the "2017 Loan Agreement"), pursuant to which the Authority will lend to the County the proceeds of the Series 2017 Bonds which will be used for the purpose of paying the costs of the 2017 Project and the costs of issuance in connection with the sale and delivery of the Series 2017 Bonds, and the County will pay as loan repayments to the Authority on each Loan Payment Date an amount equal to the aggregate principal of, redemption premium, if any, and interest on the Series 2017 Bonds (the "Loan Payments") and, as applicable, Additional Loan Payments as and when the same become due and payable upon demand pursuant to the terms of the 2017 Loan Agreement.

The Series 2017 Bonds are direct, limited and special obligations of the Authority payable solely from the Revenues and secured by the Pledged Property (as such terms are described herein under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS - General"). The Revenues include, among other things, the Loan Payments to be made by the County under the 2017 Loan Agreement. The Board of Chosen Freeholders of the County (the "Board") has, by resolution duly and finally adopted on September 19, 2017 (the "County Resolution") in accordance with the procedures outlined in the Local Bond Law, constituting Chapter 169 of the Pamphlet Laws of 1960 of the State, as amended and supplemented (*N.J.S.A. 40A:2-1 et seq.*) (the "Local Bond Law"): (i) authorized the execution and performance on behalf of the County of the 2017 Loan Agreement; and (ii) pledged the County's full faith and credit to the payment of the County's Loan Payment obligations under the 2017 Loan Agreement. The County's Loan Payment obligations under the 2017 Loan Agreement are enforceable regardless of whether Loan Payments are budgeted for by the County.

The Series 2017 Bonds are also secured by the provisions of the County Guaranty (as hereinafter defined), pursuant to which the County has unconditionally and irrevocably guaranteed the payment, when due, of the principal of and interest on the Series 2017 Bonds. The County, upon endorsement of the Series 2017 Bonds by the Freeholder-Director of the Board, will be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all taxable property within the jurisdiction of the County without limitation as to rate or amount when required under the provisions of applicable law and the County Guaranty for the payment, when due, of the principal of and interest on the Series 2017 Bonds.

Copies of the 2017 Bond Resolution, the 2017 Loan Agreement and the County Guaranty are on file at the offices of the Authority in Voorhees, New Jersey and at the principal corporate trust office of the Trustee in Cherry Hill, New Jersey, and reference is made to such documents for the provisions relating to, among other things, the terms of and the security for the Series 2017 Bonds, the custody and

application of the proceeds of the Series 2017 Bonds, the rights and remedies of the Holders of the Series 2017 Bonds, and the rights, duties and obligations of the Authority, the County and the Trustee.

There follows in this Official Statement brief descriptions of the Series 2017 Bonds, the 2017 Bond Resolution, the 2017 Loan Agreement, the County Guaranty, the Authority, the 2017 County Capital Program and the 2017 Refunding Project. A brief description of the County and an excerpt of the Report of Audit of Financial Statements of the County are attached to this Official Statement as Appendices “A” and “B,” respectively. The Authority has not confirmed the accuracy or completeness of such information (except in those limited instances in which the Authority has provided information to the County, which information the County has included in Appendix “A”), and the Authority disclaims any responsibility for the accuracy or completeness thereof (except in those limited instances in which the Authority has provided information to the County, which the County has included in Appendix “A”).

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.

### **AUTHORIZATION FOR THE SERIES 2017 BONDS**

The Series 2017 Bonds are issued under and authorized pursuant to the Constitution and laws of the State including, particularly, the Act and the 2017 Bond Resolution.

The financing plan of the Authority regarding the Series 2017 Bonds was reviewed by the Local Finance Board of the Division of Local Government Services within the State Department of Community Affairs (the “Local Finance Board”) at a meeting held on September 13, 2017. On said date, the Local Finance Board passed separate resolutions approving the method proposed for financing of: (i) the costs of the 2017 County Capital Program; (ii) the 2017 Refunding Project; and (iii) the issuance by the County of the County Guaranty. The Authority expects to confirm the findings of the Local Finance Board by resolution to be adopted on December 14, 2017.

### **PURPOSE OF THE SERIES 2017 BOND ISSUE**

#### **General**

The Series 2017A Bonds are being issued by the Authority to provide funds to: (i) finance the costs of the 2017 County Capital Program; and (ii) pay the costs of issuance with respect to the sale and delivery of the Series 2017A Bonds.

The Series 2017B Bonds are being issued by the Authority to provide funds to: (i) finance the costs of the 2017 Refunding Project; and (ii) pay the costs of issuance with respect to the sale and delivery of the Series 2017B Bonds.

#### **The 2017 County Capital Program**

A portion of the Series 2017A Bond proceeds will be used to finance the costs of construction, expansion, renovation, acquisition and installation, as applicable, of the Improvements and Equipment

constituting the 2017 County Capital Program, all as described in detail in Exhibit G to the 2017 Loan Agreement and listed below, and including any Equipment or Improvements acquired or constructed in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, any then existing Equipment or Improvements as permitted under the 2017 Loan Agreement.

The term “Costs” includes, with respect to the 2017 County Capital Program or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned in the 2017 Bond Resolution, whether incurred prior to or after the date of the 2017 Loan Agreement, (a) the costs of payment of, or reimbursement for, the acquisition, construction, equipping and furnishing of the 2017 County Capital Program including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2017 County Capital Program, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to the 2017 Bond Resolution, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, including but not limited to the Project Management Fee for the 2017 County Capital Program, if any, and of the County, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing, subject to any limitations as to amount imposed by the provisions of the Code; (b) all other costs which the County or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, equipping and furnishing of the 2017 County Capital Program including, but not limited to, the cost of insurance; (c) any sums required to reimburse the County for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2017 County Capital Program; (d) deposits in any Fund or Account under the 2017 Bond Resolution, all as shall be provided in the 2017 Bond Resolution; and (e) such other expenses not specified in the 2017 Loan Agreement or in the 2017 Bond Resolution as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the 2017 County Capital Program, the financing thereof and the placing of the same in use and operation. Cost as defined in the 2017 Loan Agreement shall be deemed to include the costs and expenses incurred by any agent of the Authority or the County for any of the above-mentioned items or in connection with the administration and enforcement of the 2017 Bond Resolution, the County Guaranty, the Continuing Disclosure Agreement and the 2017 Loan Agreement.

As contemplated by the 2017 Loan Agreement, the majority of the Improvements and Equipment constituting the 2017 County Capital Program listed below will be financed with Series 2017A Bond proceeds; provided, however, that, prior to the County’s delivery of a Completion Certificate for any Item, the County may, in accordance with the terms of the 2017 Loan Agreement, for any reason elect to substitute one or more other Items of Equipment or Improvements for the Items of Equipment and Improvements constituting the 2017 County Capital Program listed below. The 2017 Loan Agreement requires, among other things: (i) that no such substitution shall be made without certification to the Trustee by the County that the aggregate value of all Items of Equipment and Improvements financed with proceeds of the Series 2017A Bonds for which a Completion Certificate has been delivered, plus the value of the new Items of Equipment and Improvements to be purchased

with proceeds of the Series 2017A Bonds is equal to at least 100% of the amount of Series 2017A Bond proceeds initially deposited in the 2017A Account in the Acquisition Fund established pursuant to the 2017 Bond Resolution for the Series 2017A Bonds; (ii) that a new Exhibit G to the 2017 Loan Agreement be 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 satisfactory to the Authority to the effect that each of such substitutions and the 2017 Loan Agreement, 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 Authority; and (iv) an opinion of Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations (including the Outstanding Series 2017 Bonds) from the gross income of the Owners thereof for Federal income taxation purposes.

The following is a list of the planned Improvements and Equipment constituting the 2017 County Capital Program:

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<b>Category</b>	<b>Property and Equipment</b>	<b>Cost (in dollars)</b>
<b>Board of Taxation</b>	GIS	\$35,000
<b>Buildings and Operations</b>	Bridgeview/Court House Renovations	6,500,000
<b>Buildings and Operations</b>	Human Services Building Design	2,550,000
<b>Courts</b>	Lower level maintenance Area Reconstruction	550,000
<b>Courts</b>	Suite 215-Renovations	40,000
<b>Courts</b>	Sidewalks	350,000
<b>Courts</b>	HVAC upgrades-10-15 unites	30,000
<b>Courts</b>	Security Equipment-2nd floor	80,000
<b>Office of The Sheriff</b>	Vehicles Purchase	211,000
<b>Public Safety</b>	CAD System Replacement Project	600,000
<b>Corrections</b>	Window Frame and Sill Replacement	460,372
<b>Corrections</b>	Replacement of Security Doors and Locks	120,000
<b>Corrections</b>	Upgrade Fire Alarm System	164,500
<b>Corrections</b>	HVAC Upgrades	480,000
<b>Corrections</b>	Tunnel Holding Cells	750,000
<b>Corrections</b>	Replace Water Valves	200,000
<b>Corrections</b>	Kitchen Equipment	80,000
<b>Corrections</b>	Replace master control computer system	300,000
<b>Corrections</b>	New Showers	111,750
<b>Corrections</b>	Roof Replacement	100,000
<b>Corrections</b>	Electronic Detection System	40,000
<b>Public Works</b>	Emergency Roadway Construction	500,000
<b>Public Works</b>	Cross keys widening engineering services (year 4 project)	700,000
<b>Public Works</b>	Survey	160,000
<b>Public Works</b>	Engineering design unclassified	300,000
<b>Public Works</b>	Construction Management	450,000
<b>Public Works</b>	Emergency Bridge Design	150,000
<b>Camden County Parks</b>	Park Improvements Countywide	1,500,000
<b>Camden County Parks</b>	Ice/Skating rink in the Cooper River Park	1,000,000
<b>Camden County Parks</b>	General Park Improvements	300,000
<b>Camden County Parks</b>	Engineering Services for Various Projects	150,000
<b>Camden County Parks</b>	Countywide Playground Equipment Improvements	500,000
<b>Camden County College</b>	Construction of College Facility in Camden City	2,500,000
<b>Camden County College</b>	Renovations to Lincoln Hall	817,940
<b>Superintendent of Schools</b>	Office Computers	4,000
<b>Finance Department</b>	Computer Equipment	150,000

## **The 2017 Refunding Project**

A portion of the proceeds of the Series 2017B Bonds (the “Escrow Sum”) will be used to finance the advance refunding of the Refunded Bonds. The Refunded Bonds shall be called for optional redemption at par on January 15, 2022 (or such other date as shall be set forth in the Award Certificate) (the “Redemption Date”).

In connection with the 2017 Refunding Project, the Authority will execute and deliver an Escrow Agreement dated the date of delivery of the Series 2017B Bonds (the “Escrow Agreement”) to the Trustee, acting as escrow agent (the “Escrow Agent”), directing that the Escrow Sum shall be deposited in an escrow account to be held by the Escrow Agent, and shall be invested in cash and/or defeasance securities as required by the 2017 Bond Resolution and the Escrow Agreement, in an amount sufficient to pay the Redemption Price of the Refunded Bonds on the Redemption Date.

### **DESCRIPTION OF THE SERIES 2017 BONDS**

#### **General**

The Series 2017 Bonds are issuable as fully registered bonds. Each Series of the Series 2017 Bonds will mature on the respective dates and bear interest at the respective rates set forth on the inside front cover page of this Official Statement and will be issued in book-entry form. So long as The Depository Trust Company, New York, New York (“DTC”), or its nominee, Cede & Co., is the registered owner of the Series 2017 Bonds, payments of the principal or Redemption Price of, and interest on, the Series 2017 Bonds will be made directly to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the “DTC Participants”) is the responsibility of DTC and the disbursement of such payments to the Beneficial Owners (as defined herein) of the Series 2017 Bonds is the responsibility of the DTC Participants and not the Authority or the Paying Agent. See “DESCRIPTION OF THE SERIES 2017 BONDS - Book-Entry-Only System” below.

Interest on the Series 2017 Bonds, calculated on the basis of a 360-day year of twelve 30 day months, is payable on January 15 and July 15 of each year, commencing on January 15, 2018, by check of the Trustee or, for Registered Owners of \$1,000,000 or more in principal amount of Series 2017 Bonds which have submitted to the Trustee (upon three Business Days’ written notice in advance of the applicable Record Date) a written request therefor, wire transfer by the Paying Agent to the Registered Owners of such Series 2017 Bonds. Principal or Redemption Price of the Series 2017 Bonds will be paid on any Principal Installment Date upon presentation and surrender of the Series 2017 Bonds at the principal corporate trust office of the Trustee.

Any interest on any Series 2017 Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called “Default Interest”) shall forthwith cease to be payable to the person who is the Registered Owner on the relevant Record Date, and such Default Interest shall be paid to the Registered Owner in whose name the Series 2017 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) days nor less than ten (10) days (whether or not a Business Day) prior to the date of the proposed payment.

## **Redemption**

### Optional Redemption

The Series 2017A Bonds maturing prior to January 15, 2028 are not subject to optional redemption prior to maturity. The Series 2017A Bonds maturing on or after January 15, 2028 are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the County in accordance with the terms of the 2017 Loan Agreement, on or after January 15, 2027 in whole or in part at any time, and, if in part, in such order of maturity as the County may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of Series 2017A Bonds to be redeemed, plus accrued interest to the redemption date.

The Series 2017B Bonds maturing prior to January 15, 2028 are not subject to optional redemption prior to maturity. The Series 2017B Bonds maturing on or after January 15, 2028 are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the County in accordance with the terms of the 2017 Loan Agreement, on or after January 15, 2027 in whole or in part at any time, and, if in part, in such order of maturity as the County may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of Series 2017B Bonds to be redeemed, plus accrued interest to the redemption date.

### **Notice of Redemption**

In the case of any redemption of the Series 2017 Bonds by the Authority at the written direction of the County, the Authority shall give written notice to the Trustee of the election or direction of the County to so redeem. 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. When the Trustee receives such notice from the Authority to redeem the Series 2017 Bonds and written notice from the County of its consent to the redemption of the Series 2017 Bonds, the Trustee shall cause a notice to be deposited in the United States mail first class, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the redemption date addressed to the Registered Owners of the Series 2017 Bonds (or portions thereof) called for redemption, at the addresses appearing in the registry books kept by the Trustee. Such notice shall be given in the name of the Authority, shall identify the maturities of the Series 2017 Bonds to be redeemed, the redemption date, the Redemption Price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2017 Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2017 Bonds so to be redeemed and, in the case of the Series 2017 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 on each Series 2017 Bond to be redeemed the Redemption Price thereof, or of such specified portions of the principal amount thereof, in the case of the Series 2017 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. Any defect in or failure to give such notice with respect to any particular Series 2017 Bond shall not affect the validity of any such redemption of other Series 2017 Bonds.



Any notice of redemption of the Series 2017 Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the Redemption Price, together with interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds being on deposit with the Paying Agent to pay the Redemption Price on the redemption date, the corresponding conditional notice of redemption shall be deemed to have been revoked *nunc pro tunc* and shall be deemed to be null and void as if never given and such Series 2017 Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

If, on the redemption date, moneys for the redemption of all the Series 2017 Bonds or portions thereof, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date, then from and after the redemption date interest on the Series 2017 Bonds or portions thereof so called for redemption shall cease to accrue and become payable.

So long as the Series 2017 Bonds are in book-entry form, the Trustee shall mail such notice solely to DTC and the Trustee will not send redemption notices to Beneficial Owners of the Series 2017 Bonds.

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

*The information contained in this section concerning DTC and the DTC Book-Entry-Only System has been obtained from sources that the Authority believes to be reliable. However, the Authority takes no responsibility for the accuracy thereof. The Beneficial Owners should confirm the information with DTC or the DTC Participants, as the case may be.*

Initially, the Series 2017 Bonds will be in book-entry form only. Purchasers of the Series 2017 Bonds will not receive certificates representing their beneficial ownership interests in the Series 2017 Bonds purchased. DTC will act as the initial securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2017A Bond certificate will be issued for each maturity of the Series 2017A Bonds in the respective aggregate principal amount of such maturity as set forth on the inside front cover page hereof, and will be deposited with DTC. One fully registered Series 2017B Bond certificate will be issued for each maturity of the Series 2017B Bonds in the respective aggregate principal amount of such maturity as set forth on the inside front cover page hereof, 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"). DTC has 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 Series 2017 Bonds are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the Series 2017 Bonds.

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2017 Bonds (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 Series 2017 Bonds 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 Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

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

Redemption notices shall be sent to DTC. If less than all of a maturity of any Series of the Series 2017 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as

possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal or Redemption Price of and interest with respect to the Series 2017 Bonds 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 corresponding detail information from the Authority or the Trustee, on the payable date 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, the Trustee, the Registrar, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or Redemption Price of and interest with respect to the Series 2017 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the Registrar, the Paying Agent, or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

In addition, the Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered to DTC.

So long as Cede & Co. is the registered owner of the Series 2017 Bonds, as nominee of DTC, references herein to the Bondholders or Registered Owners of the Series 2017 Bonds (excluding all references thereto under the heading "TAX MATTERS" herein) means Cede & Co., not the Beneficial Owners of the Series 2017 Bonds.

THE AUTHORITY, THE COUNTY, THE TRUSTEE, THE UNDERWRITER (UNLESS THE UNDERWRITER IS ACTING IN THE CAPACITY AS A DIRECT OR INDIRECT PARTICIPANT OF DTC), THE REGISTRAR AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE SERIES 2017 BONDS (1) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2017 BONDS, OR (2) CONFIRMATION OF OWNERSHIP INTERESTS IN THE SERIES 2017 BONDS, OR (3) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT

“PROCEDURES” OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE COUNTY, THE TRUSTEE, THE UNDERWRITER (UNLESS THE UNDERWRITER IS ACTING IN THE CAPACITY AS A DIRECT OR INDIRECT PARTICIPANT OF DTC), THE REGISTRAR OR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE SERIES 2017 BONDS WITH RESPECT TO: (1) THE SERIES 2017 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ITS NOMINEE, OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON ANY SERIES 2017 BONDS; (4) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE 2017 BOND RESOLUTION TO BE GIVEN TO THE BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2017 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS**

### **General**

The Series 2017 Bonds constitute direct, limited and special obligations of the Authority and are payable solely from the Revenues (as described herein) and secured by the Pledged Property (as described herein), subject only to the provisions of the 2017 Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the 2017 Bond Resolution. The Series 2017 Bonds are not payable from general funds of the Authority and shall not constitute a legal or equitable pledge or lien or encumbrance upon any of the assets or property of the Authority or upon any of its income, receipts or revenues, except as provided in the 2017 Bond Resolution. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Series 2017 Bonds. The Authority has no taxing power. The Authority has no claim on revenues or receipts of the State or any agency or political subdivision thereof (except the County to the extent of the Loan Payments and the County Guaranty).

The term “Pledged Property” is defined in the 2017 Bond Resolution as: (i) the Revenues; (ii) the Funds and Accounts established under the 2017 Bond Resolution (other than the Rebate Fund), including Investment Securities held in any such Funds and Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Series 2017 Bonds in accordance with the terms and provisions of the 2017 Bond Resolution.

The term “Revenues” is defined in the 2017 Bond Resolution as: (i) all amounts, including Loan Payments, received by the Authority from the County under the 2017 Loan Agreement; (ii) any moneys or securities held pursuant to the 2017 Bond Resolution and paid or required to be paid into the Debt Service Fund; (iii) any payments made by the County to the Authority pursuant to the County

Guaranty and Sections 508(2) and 708 of the 2017 Bond Resolution; (iv) interest received on any moneys or Investment Securities held under the 2017 Bond Resolution (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the 2017 Bond Resolution; and (v) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Resolution.

The Loan Payments to be made by the County pursuant to the 2017 Loan Agreement are equal to the amount of the principal or Redemption Price of and interest on the Series 2017 Bonds due on each Loan Payment Date and, as applicable, Additional Loan Payments (including, but not limited to, administrative expenses of the Authority with respect to the Series 2017 Bonds incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the 2017 Loan Agreement. Pursuant to the 2017 Loan Agreement, the County has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Loan Payments to be made by the County to the Authority pursuant to the terms of the 2017 Loan Agreement. Nevertheless, the payment obligations created under the 2017 Loan Agreement are direct, general, irrevocable and unconditional obligations of the County payable from any source legally available to the County, including, without limitation, the general tax revenues of the County, and the County shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the County for the payment of such obligations, without limitation as to rate or amount. In addition, the County is unconditionally and irrevocably obligated to pay, when due, the principal of and interest on the Series 2017 Bonds pursuant to the County Guaranty. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS – 2017 Loan Agreement” herein.

**The Loan Payments (excluding Additional Loan Payments) and the payments by the County pursuant to the County Guaranty include only scheduled payments of principal of the Series 2017 Bonds (including Sinking Fund Installments, if any, and payments of principal upon maturity of serial maturity Series 2017 Bonds), and scheduled payments of interest on the Series 2017 Bonds. The County is not required under any circumstances to make any accelerated payments of the principal amount of the Series 2017 Bonds (including any Sinking Fund Installment, if any, or other principal payment), notwithstanding that, upon the occurrence of an Event of Default under the 2017 Bond Resolution, the Trustee may (and, at the direction of a majority of the Holders of Outstanding Series 2017 Bonds, the Trustee shall) declare the principal of all Series 2017 Bonds then Outstanding under the 2017 Bond Resolution to be due and payable immediately.**

No recourse shall be had by the Trustee or any Bondholder for any claim based on the Series 2017 Bonds or the 2017 Bond Resolution against any director, freeholder, member, officer, agent or employee, past, present or future, of, as the case may be, the Authority or the County, either directly or through the Authority or the County, as the case may be, or any such successor body, under any constitutional provision, statute or rule of law or by assessment or penalty or by any legal or equitable proceeding or otherwise. No covenant, stipulation, obligation or agreement of the Authority or the County contained in the Series 2017 Bonds or the 2017 Bond Resolution or in any document to which the Authority or the County is a party shall be deemed to be a stipulation, obligation or agreement of any present or future director, freeholder, member, officer, agent or employee of, as the case may be, the Authority or the County in his individual capacity, and any director, freeholder, member, officer, agent or employee of, as the case may be, the Authority or the County executing the Series 2017 Bonds

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

### **2017 Bond Resolution to Constitute Contract**

In consideration of the purchase and acceptance of the Series 2017 Bonds by those who shall hold the same from time to time, the provisions of the 2017 Bond Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Series 2017 Bonds. Any security interest granted and the pledge and assignment which is made in the 2017 Bond Resolution for the benefit of the Owners of the Series 2017 Bonds and the covenants and agreements which are set forth therein to be performed on behalf of the Authority are for the equal benefit, protection and security of the Holders of such Series 2017 Bonds and any Refunding Bonds (as hereinafter described), 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 as to the lien of any of the Series 2017 Bonds and any Refunding Bonds over any other thereof, all except as expressly provided in or permitted by the terms of the 2017 Bond Resolution.

### **2017 Loan Agreement**

The Authority and the County have entered into the 2017 Loan Agreement in order to secure the Series 2017 Bonds. With respect to the Series 2017 Bonds, pursuant to the terms of the 2017 Loan Agreement, the County is required to make Loan Payments to the Authority on each Loan Payment Date in an amount equal to the Debt Service payable on the Series 2017 Bonds on the immediately succeeding Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be, subject to a credit for investment earnings and certain other amounts received by the Trustee as provided therein. Loan Payment Dates occur five (5) Business Days prior to each Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as applicable. In addition, the County is required to make Additional Loan Payments to cover certain administrative expenses of the Trustee and the Authority and other professional fees and the Rebate Amount, if any.

The obligation of the County to pay Loan Payments provided for in the 2017 Loan Agreement and to perform its obligations under the 2017 Loan Agreement is absolute and unconditional and secured by the full faith and credit pledge of the County. The obligation of the County to pay Loan Payments is enforceable regardless of whether Loan Payments have been budgeted for by the County. The Board has, by adoption of the County Resolution, on September 19, 2017, authorized the execution and performance on behalf of the County of the 2017 Loan Agreement and the pledge of the County's full faith and credit to the payment of the County's Loan Payment obligations under the 2017 Loan Agreement.

See "Appendix C – Copy of the 2017 Bond Resolution and Form of 2017 Loan Agreement" for a more complete description of the provisions of the 2017 Loan Agreement and Appendix "A" for certain information concerning the County.

An Event of Default under the 2017 Loan Agreement shall not give rise to an Event of Default under the 2017 Bond Resolution.

## **County Guaranty**

In connection with the issuance of the Series 2017 Bonds, the Board duly and finally adopted a Guaranty Resolution on September 19, 2017 (the “Guaranty Resolution”), in the manner provided for adoption of a bond ordinance as provided in the Local Bond Law, pursuant to which the County has unconditionally and irrevocably guaranteed the payment, when due, of the principal of and interest on the Series 2017 Bonds. The County, upon endorsement of the Series 2017 Bonds by the Freeholder-Director of the Board, will be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all taxable property within the jurisdiction of the County without limitation as to rate or amount when required under the provisions of applicable law and the County Guaranty for the payment, when due, of the principal of and interest on the Series 2017 Bonds.

## **Additional Series of Refunding Bonds**

Pursuant to the 2017 Bond Resolution, the Authority may issue one or more Series of Refunding Bonds, in addition to the Series 2017B Bonds, to refund all or any portion (as determined by the Authority) of any Outstanding Bonds (including all or any portion of the Series 2017 Bonds). Any issuance of additional Series of Refunding Bonds is subject to the approval of the Authority, and the approval and consent of the County, and the satisfaction of certain conditions precedent to the issuance of Refunding Bonds specified in the 2017 Bond Resolution. See “Appendix C – Copy of the 2017 Bond Resolution (Section 205, Refunding Bonds) and Form of 2017 Loan Agreement” hereto. Each Series of Refunding Bonds is entitled to the benefit and security of the 2017 Bond Resolution on a parity with the Series 2017 Bonds and all other Series of Refunding Bonds issued within the limitations and provisions of the 2017 Bond Resolution.

## **Other Financings**

The Authority also intends to offer on behalf of the County, via negotiated sale, County Guaranteed Loan Revenue Bonds (City Hall Project) in the approximate amount of \$24,000,000. The Authority will loan the proceeds of such bonds to the County pursuant to the terms of a loan agreement which has been authorized by the County on October 17, 2017. In addition, the principal of and interest on the bonds, when due, will also be guaranteed by the County pursuant to a guaranty resolution which has been authorized by the County on October 17, 2017. The bonds are expected to close prior to December 31, 2017.

The County will be closing on the competitive sale of its \$35,461,125 Bond Anticipation Notes, Series 2017A on October 26, 2017.

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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 Series 2017 Bonds:

<b>Sources of Funds:</b>	<u>Series 2017A Bonds</u>	<u>Series 2017B Bonds</u>	<u>Total</u>
Principal Amount of Series 2017 Bonds.....	\$20,355,000.00	\$24,510,000.00	\$44,865,000.00
Original Issue Premium .....	2,772,294.35	3,710,856.80	6,483,151.15
<b>TOTAL SOURCE OF FUNDS.....</b>	<b>\$23,127,294.35</b>	<b>\$28,220,856.80</b>	<b>\$51,348,151.15</b>
<b>Uses of Funds:</b>			
Costs of 2017 County Capital Program .....	\$22,934,562.00	\$0.00	\$22,934,562.00
Costs of 2017 Refunding Project .....	0.00	27,985,312.72	27,985,312.72
Costs of Issuance <sup>(1)</sup> .....	192,732.35	235,544.08	428,276.43
<b>TOTAL USES OF FUNDS.....</b>	<b>\$23,127,294.35</b>	<b>\$28,220,856.80</b>	<b>\$51,348,151.15</b>

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<sup>(1)</sup> Includes Underwriter’s compensation, legal, printing, financial advisory, credit ratings, Trustee, Paying Agent, Registrar, Escrow Agent, Verification Agent and Authority fees, contingency and other fees and expenses.

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## DEBT SERVICE REQUIREMENTS OF THE SERIES 2017 BONDS

<u>Year Ending (December 31)</u>	<u>Principal Amount Series 2017A Bonds</u>	<u>Interest Series 2017A Bonds</u>	<u>Total Series 2017A Bonds</u>	<u>Principal Amount Series 2017B Bonds</u>	<u>Interest Series 2017 B Bonds</u>	<u>Total Series 2017B Bonds</u>	<u>Total Debt Service</u>
2018	\$605,000	\$512,916.67	\$1,217,916.67	\$340,000	\$693,933.33	\$1,033,933.33	\$2,251,850.00
2019	560,000	907,950.00	1,467,950.00	-	1,038,350.00	1,038,350.00	2,506,300.00
2020	580,000	887,950.00	1,467,950.00	-	1,038,350.00	1,038,350.00	2,506,300.00
2021	605,000	861,225.00	1,466,225.00	-	1,038,350.00	1,038,350.00	2,504,575.00
2022	635,000	830,225.00	1,465,225.00	-	1,038,350.00	1,038,350.00	2,503,575.00
2023	670,000	797,600.00	1,467,600.00	3,205,000	974,250.00	4,179,250.00	5,646,850.00
2024	705,000	763,225.00	1,468,225.00	3,335,000	843,450.00	4,178,450.00	5,646,675.00
2025	740,000	727,100.00	1,467,100.00	3,510,000	706,550.00	4,216,550.00	5,683,650.00
2026	775,000	689,225.00	1,464,225.00	3,485,000	566,650.00	4,051,650.00	5,515,875.00
2027	815,000	649,475.00	1,464,475.00	3,480,000	427,350.00	3,907,350.00	5,371,825.00
2028	860,000	607,600.00	1,467,600.00	3,580,000	268,250.00	3,848,250.00	5,315,850.00
2029	905,000	563,475.00	1,468,475.00	3,575,000	89,375.00	3,664,375.00	5,132,850.00
2030	950,000	517,100.00	1,467,100.00	-	-	-	1,467,100.00
2031	1,000,000	468,350.00	1,468,350.00	-	-	-	1,468,350.00
2032	1,050,000	417,100.00	1,467,100.00	-	-	-	1,467,100.00
2033	1,105,000	363,225.00	1,468,225.00	-	-	-	1,468,225.00
2034	1,160,000	306,600.00	1,466,600.00	-	-	-	1,466,600.00
2035	1,220,000	247,100.00	1,467,100.00	-	-	-	1,467,100.00
2036	1,275,000	191,100.00	1,466,100.00	-	-	-	1,466,100.00
2037	1,325,000	139,100.00	1,464,100.00	-	-	-	1,464,100.00
2038	1,380,000	85,000.00	1,465,000.00	-	-	-	1,465,000.00
2039	<u>1,435,000</u>	<u>28,700.00</u>	<u>1,463,700.00</u>	-	-	-	<u>1,463,700.00</u>
TOTALS	<u>\$20,355,000</u>	<u>\$11,661,341.67</u>	<u>\$32,016,341.67</u>	<u>\$24,510,000</u>	<u>\$8,723,208.33</u>	<u>\$33,233,208.33</u>	<u>\$65,249,550.00</u>

### THE AUTHORITY

#### Creation and Powers

The Authority is a public body corporate and politic of the State and was created by a resolution of the Board pursuant to the Act.

The Authority has broad powers under the Act including, among others, the following: to sue and be sued; to enter into leases and contracts; to acquire property by any lawful means, including the exercise of the power of eminent domain; to hold, operate and administer its property; to issue its negotiable bonds and to secure their payment and the rights of holders thereof under a bond resolution; to enter into contracts; to charge and collect charges for use of its facilities and to revise such charges which the Act requires to be charged such that the revenues of the Authority will at all times be adequate to pay all administrative expenses, to pay punctually the principal of and interest on any bonds, to maintain reserves and sinking funds therefor, as may be required by the terms of any contracts with Bondholders, and to make and enforce rules and regulations for the management of its business and affairs.

The Authority was established for, among other purposes, the purpose of providing for the construction of public buildings, transportation facilities, the acquisition of equipment and the acquisition of property owned by the federal government. Subsequent amendments to the Act permit the Authority to provide for the construction of convention halls, solid waste disposal facilities, recreation/entertainment centers, low and moderate income housing, to plan, initiate and carry out redevelopment projects and to provide financing on behalf of certain non-profit entities.

**Management**

The governing body of the Authority consists of five members appointed by the Board. The Authority’s staff is supervised by the Executive Director who also serves as the Secretary of the Authority. The present members of the governing body of the Authority, the expiration dates of their terms as members and their offices are as follows:

<u>Name</u>	<u>Office</u>	<u>Expiration of Term</u>
William R. Hosey	Chairman	January 31, 2020
Linda M. Rohrer	Vice Chairperson	January 31, 2018
Joseph P. Schooley	Member	January 31, 2021
William W. Spearman	Member	January 31, 2022
Reginald C. Stevenson	Member	January 31, 2019

The Authority’s mailing address is 2220 Voorhees Town Center, Voorhees, New Jersey 08043.

**LITIGATION**

**Authority**

In the opinion of Maressa Patterson LLC, General Counsel to the Authority, there is no litigation pending or, to the best of its knowledge, threatened which would restrain or enjoin the issuance or sale of the Series 2017 Bonds or in any way contesting the validity or affecting the authority for the issuance of the Series 2017 Bonds, the adoption of the 2017 Bond Resolution, or the authorization, execution and delivery by the Authority of the 2017 Loan Agreement or any other of the financing documents to which the Authority is a party, or the existence or powers of the Authority.

**County**

In the opinion of the Office of the County Counsel, there is no litigation pending or, to the best knowledge of the Office of the County Counsel, threatened to restrain or enjoin the County from entering into or delivering the County Guaranty or the 2017 Loan Agreement or in any way contesting or affecting the 2017 Project. Also, except as described: (i) below under the heading “LITIGATION - Solid Waste Matters” and as further described in Appendix “A” (see Pages A-39 through A-42); and (ii) under the heading “COUNTY LITIGATION” in Appendix “A” (see Page A-32), there is no litigation pending or, to the best knowledge of the Office of the County Counsel, threatened that would have a material and adverse impact on the financial condition of the County, if adversely decided.

## **Solid Waste Matters**

The County is a party to certain litigation involving the County's solid waste management system. Appendix "A" (specifically Pages A-38 through A-43) to this Official Statement describes: (i) the County's solid waste management system as implemented through the Pollution Control Financing Authority ("PCFA"); (ii) the financing of solid waste disposal facilities within the County; (iii) the impact of a decision by the United States Court of Appeals for the Third Circuit; (iv) the proposed dissolution of the PCFA; and (v) certain pending litigation, and the extent to which any of (i) through (v) could have a material adverse effect on the financial condition of the County. The information in Appendix "A" relating to such matters should be read in its entirety in order to obtain information essential to the making of an informed investment decision.

## **TAX MATTERS**

**ALL POTENTIAL PURCHASERS OF THE SERIES 2017 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE TAX IMPLICATIONS OF THEIR INVESTMENT.**

### **Federal**

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, assuming continuing compliance by the Authority and the County with their respective tax covenants described below, under existing law, interest on the Series 2017 Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of (i) the "adjusted current earnings" of a corporation over (ii) the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction).

Interest on tax-exempt obligations, including the Series 2017 Bonds, is not excludable in computing a corporation's "adjusted current earnings." Accordingly, a portion of any interest on the Series 2017 Bonds received or accrued by a corporation that owns the Series 2017 Bonds is included in computing such corporation's alternative minimum taxable income for such year.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Series 2017 Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Series 2017 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering its opinion, Bond Counsel has assumed continuing compliance by: (i) the Authority with the covenants contained in the 2017 Bond Resolution, the 2017 Loan Agreement and in the Certificate as to Nonarbitrage and Other Tax Matters; and (ii) the County with the covenants contained in the 2017 Loan Agreement and the Certificate as to Nonarbitrage and Other Tax Matters and that each of the Authority and the County will comply with the applicable requirements of the Code. These covenants relate to, *inter alia*, the use and investment of proceeds of the Series 2017 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the County to comply with such covenants could result in the interest on the Series 2017 Bonds being subject to federal income tax retroactive to the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Series 2017 Bonds that may affect the tax-exempt status of the interest thereon.

Ownership of the Series 2017 Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Series 2017 Bonds constitutes disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Series 2017 Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the “modified adjusted gross income” of the taxpayer and certain other individuals. “Modified adjusted gross income” means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Series 2017 Bonds.

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

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

### **Tax Accounting Treatment of Premium Bonds**

The initial public offering price of certain Series 2017 Bonds (each a “Premium 2017 Bond” and, collectively, the “Premium 2017 Bonds”) may be greater than the amount payable on such Series

2017 Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium 2017 Bond (assuming that a substantial amount of the Premium 2017 Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium 2017 Bonds. The basis for federal income tax purposes of a Premium 2017 Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium 2017 Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium 2017 Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium 2017 Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium 2017 Bonds.

### **New Jersey**

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

### **Changes in Federal and State Tax Law**

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

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

### **PLEDGE OF THE STATE NOT TO LIMIT POWERS OF AUTHORITY OR RIGHTS OF BONDHOLDERS**

The Act sets forth the pledge and agreement that the State will not limit or alter the rights vested by the Act in the authorities organized thereunder to fix, establish, charge and collect service charges and to fulfill the terms of any agreements made with holders of obligations of authorities or in any way

impair the rights and remedies of such holders, until such obligations, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged.

### **NEGOTIABILITY OF THE SERIES 2017 BONDS**

Section 24 of the Act, *N.J.S.A. 40:37A-67*, provides that any bond or obligation issued pursuant to the Act shall be fully negotiable within the meaning and for all purposes of the negotiable instruments law of the State and each holder or owner of such bond or other obligation, or of any coupon appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed to have agreed that such bond, obligation or coupon is and shall be fully negotiable within the meaning and for all purposes of said negotiable instruments law.

### **THE SERIES 2017 BONDS NOT A DEBT OF THE STATE**

The Series 2017 Bonds shall not in any way be a debt or liability of the State or any political subdivision thereof or create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof other than the obligation of (a) the Authority, which has no taxing power, the obligation of which is limited to the Pledged Property, and (b) the County to the extent of its Loan Payments and the County Guaranty both pursuant to which the County has pledged its full faith and credit and will be obligated to levy *ad valorem* taxes on all taxable property within the jurisdiction of the County in an amount sufficient to provide for payment as is needed to pay, when due, the principal of and interest on the Series 2017 Bonds.

### **CONTINUING DISCLOSURE**

In accordance with the provisions of Rule 15c2-12, as amended (the “Rule”), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the County will, prior to the issuance of the Series 2017 Bonds, enter into a Continuing Disclosure Agreement with the Trustee, as dissemination agent, substantially in the form set forth in Appendix “E” hereto (the “Continuing Disclosure Agreement”).

As described in this paragraph, the County has failed to provide certain secondary market disclosure pursuant to the Rule in connection with previous undertakings related to certain of its general obligation bonds and various Authority bond financings. The County filed its 2012 audited financial statements on February 5, 2014 for the County’s general obligation bonds and on August 19, 2013 for the Authority bonds. After the filing of such audited financial statements, the County realized that the 2012 audited financial statement, certain bond insurance related rating changes and the 2012 annual report were not attached to CUSIPs of its general obligation bonds and certain CUSIPs of the Authority’s bonds on the MSRB’s Electronic Municipal Market Access System (“EMMA”). Such audited financial statements, notices of rating change and annual reports were filed for the missing CUSIPs on September 8, 2014. In 2014, the County failed to file its 2013 audited financial statements by July 29, 2014 in connection with certain CUSIPs of its general obligation bonds. Such audited financial statements were filed on July 31, 2014. Failure to file notices for 2012 and 2013 annual report information were posted late to EMMA for the County’s general obligation bonds. The County’s rating was upgraded by Standard & Poor’s in November of 2013 and the related notice was filed on June 19, 2014.

## MUNICIPAL BANKRUPTCY

The undertakings of the Authority and the County should be considered with reference to Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”), 11 *U.S.C.* §§901 to 946. Under Chapter 9 of the Bankruptcy Code, a municipality, which is a political subdivision or 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 the debt of the municipality. Chapter 9 of the Bankruptcy Code does not permit the municipality to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter 9 of the Bankruptcy Code permits a financially distressed municipality to seek protection from its creditors by staying the commencement or continuation of certain actions against the municipality 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 majority of creditors. Should the Authority or the County file a petition in the Bankruptcy Court under Chapter 9 of the Bankruptcy Code prior to the payment in full of the principal of and interest on the Series 2017 Bonds, the Holders of the Series 2017 Bonds would be considered creditors and would be bound by the municipality’s plan of adjustment of its debt.

Reference should also be made to *N.J.S.A. 52:27-40 et seq.* which provides that any “political subdivision” of the State as defined therein, which includes the Authority and the County, has the power to file a petition with the Bankruptcy Court under Chapter 9 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.* §903, specially provides that Chapter 9 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 AUTHORITY OR THE COUNTY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE SERIES 2017 BONDS.**

## APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and the issuance by the Authority of the Series 2017 Bonds are subject to the approval of certain legal matters by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed on for the Authority by its counsel, Maressa Patterson LLC, Berlin, New Jersey, for the County by the Office of the County Counsel of the County and by Bond Counsel to the County, McCarter & English, LLP, Newark, New Jersey, and for the Underwriter by Obermayer Rebmann Maxwell & Hippel LLP, Cherry Hill, New Jersey.

The various legal opinions and/or certifications to be delivered concurrently with the delivery of the Series 2017 Bonds 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.

### **LEGALITY FOR INVESTMENT**

The Act provides that: (i) the State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof; (ii) all banks, 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; (iii) all insurance companies, insurance associations, and other persons carrying on an insurance business; and (iv) all executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest any sinking funds, moneys or other funds belonging to them or within their control in the obligations of authorities organized thereunder, including the Series 2017 Bonds, and that such obligations are authorized security for any and all public deposits.

### **RATINGS**

Moody's Investors Service Inc. ("Moody's") and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P" and together with Moody's, the "Rating Agencies"), have assigned ratings of "Aa2" and "AA," respectively, to the Series 2017 Bonds. Explanations of the significance of such bond ratings may be obtained from Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and S&P, 55 Water Street, New York, New York 10041. Such bond ratings express only the views of the respective Rating Agency. There is no assurance that any such bond ratings will continue for any period of time or that the ratings will not be revised or withdrawn. Any such revision or withdrawal of the ratings may have an effect on the marketability and market price of the Series 2017 Bonds.

### **VERIFICATION AGENT**

When the Series 2017B Bonds are issued, Bowman & Company LLP, Voorhees, New Jersey ("Verification Agent") will deliver to the Authority a report indicating that it has verified the arithmetic accuracy of: (i) the mathematical computations of the adequacy of the cash and the maturing principal amounts of, and the interest on, the escrow securities to pay the principal, interest and redemption price coming due on the Refunded Bonds; and (ii) certain yield calculations relating to the Refunded Bonds. The Verification Agent expressed no opinion on the assumptions provided to it, nor as to the exemption from taxation of the interest on the Series 2017B Bonds.

### **INDEPENDENT AUDITORS**

The excerpt of the Report of Audit of Financial Statements of the County as of December 31, 2016 and 2015, and for the year then ended, included in Appendix "B" to this Official Statement, have



been audited by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in its report appearing in Appendix “B” to this Official Statement.

## **UNDERWRITING**

The Series 2017 Bonds have been purchased from the Authority by RBC Capital Markets LLC (the “Underwriter”), pursuant to a bond purchase contract, dated November 2, 2017, between the Authority and the Underwriter (the “Bond Purchase Contract”). The Bond Purchase Contract provides that the aggregate purchase price for the Series 2017 Bonds is \$51,234,896.80 (representing: (i) the principal amount of the Series 2017A Bonds, plus the original issue premium of \$2,772,294.35 and less an Underwriter’s discount of \$51,382.87; and (ii) the principal amount of the Series 2017B Bonds plus the original issue premium of \$3,710,856.80 and less an Underwriter’s discount of \$61,871.48. The Underwriter is obligated to purchase all of the Series 2017 Bonds if any Series 2017 Bonds are purchased. The obligation of the Underwriter to accept delivery of the Series 2017 Bonds is subject to various conditions contained in the Bond Purchase Contract.

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

RBC Capital Markets, LLC has provided the following information for inclusion in this Official Statement. RBC Capital Markets, LLC and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBC Capital Markets, LLC and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBC Capital Markets, LLC and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority. RBC Capital Markets, LLC and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority. RBC Capital Markets, LLC and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

## **FINANCIAL ADVISOR**

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Financial Advisor to the Authority 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.

## **APPENDICES**

Appendix “A” to this Official Statement consists of certain general and financial information concerning the County which has been provided by the County from public documents of the County and from other public or official documents or publications (including, in some limited instances, official documents or publications of the Authority) which are referred to therein. The Authority (except in those limited instances in which the Authority has provided information) has not confirmed the accuracy or completeness of said information, and the Authority (except in those limited instances in which the Authority has provided information) disclaims any responsibility for the accuracy or completeness thereof. In any instance in which the Authority has provided information included by the County in Appendix “A,” the Authority is identified as the source.

Appendix “B” to this Official Statement consists of an excerpt of the Report of Audit of Financial Statements of the County dated July 12, 2017, which has been provided by the County from public documents of the County and from other public or official documents or publications which are referred to therein. A copy of the complete Report of Audit of Financial Statements of the County may be obtained upon request to the office of the Chief Financial Officer of the County. The Authority has not confirmed the accuracy or completeness of said information, and the Authority disclaims any responsibility for the accuracy or completeness thereof.

Appendix “C” to this Official Statement consists of the copy of the 2017 Bond Resolution and the form of the 2017 Loan Agreement.

Appendix “D” to this Official Statement consists of the Proposed Form of Opinion of Bond Counsel to the Authority.

Appendix “E” to this Official Statement consists of the form of the Continuing Disclosure Agreement for the County.

## **MISCELLANEOUS**

The execution and delivery of this Official Statement has been duly authorized by the Authority. Concurrently with the delivery of the Series 2017 Bonds, the Authority will furnish a certificate to the effect that nothing has come to the Authority’s attention that would lead the Authority to believe that this Official Statement, in final form, contains any untrue statement of a material fact or omits to state any information necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. Certain information contained in this Official Statement has been obtained from sources other than the Authority. All quotations from and summaries and explanations of provisions of laws, statutes, resolutions and agreements herein do not purport to be complete and reference should be made to said laws, statutes, resolutions and agreements for a full and complete statement of their provisions.

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or Holders of any of the Series 2017 Bonds. Any statements made in this Official

Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. 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 County or the Authority since the date hereof.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

The execution by its Chairman and the delivery of this Official Statement is duly authorized by the Authority.

**THE CAMDEN COUNTY IMPROVEMENT  
AUTHORITY**

By: /s/ *William R. Hosey*  
**WILLIAM R. HOSEY, Chairman**

**Dated: November 2, 2017**

**APPENDIX A**

**Certain Information Concerning the County**

## ***INTRODUCTION***

### ***General Information***

The County of Camden, New Jersey (“County”), formerly part of Gloucester County, New Jersey, was established in 1844. The County, approximately 222 square miles in area, is in the southwestern part of the State of New Jersey (“State”) along the east bank of the Delaware River opposite Philadelphia, Pennsylvania (“Philadelphia”). The Counties of Burlington, Atlantic and Gloucester border the County on, respectively, the northeast, southeast and southwest, with the Delaware River forming the western border of the County.

### ***County Government***

The County operates under the freeholder form of government. The Board of Chosen Freeholders of the County (“Board”) consists of seven Freeholder members elected at-large for three year terms on a staggered basis. Each year, the Board elects one of the Freeholders to serve as Freeholder Director. The Freeholder Director appoints Freeholders to be in charge of various committees. The Board, operating through the committee system, is charged with both executive and legislative responsibilities for: (i) formulating policies; (ii) developing new programs; (iii) appointing members of the various County commissions, authorities and boards; (iv) approving the County’s operating and capital budgets; and (v) appropriating the funds required to maintain County services.

The County Administrator, appointed by the Board, oversees the daily governmental operations of the County. Each major department is headed by an administrator who acts as liaison to the Freeholder overseeing such department’s operations. Financial matters are under the supervision of the County’s Chief Financial Officer who is appointed by the Board.

### ***Organization and Management of County Government***

In 1983, the Board adopted an internal administrative reorganization the objectives of which were to: consolidate government organization; increase accountability of department and agency heads; streamline reporting requirements; and improve productivity. The Board also established an Office of Management and Budget (“OMB”) modeled after the federal OMB. Detailed monitoring reports on a monthly basis are provided by the OMB to evaluate the various departments and agencies in terms of performance and unit costs.

The County’s operating and capital budget process is initiated by departmental submissions of project requests to the OMB. The various projects are reviewed, documented with cost estimates, and prioritized against a set of weighted criteria. The projects’ listing is structured according to the availability of funds as set by the debt and capital policy of the County.

## ***PRINCIPAL ADMINISTRATIVE OFFICERS***

### ***County Administrator***

Mr. Ross G. Angilella is currently the County Administrator. He was first appointed to the position of County Administrator on September 4, 2004. Prior to his appointment as County Administrator, Mr. Angilella served as the County Purchasing Agent and an Assistant County Counsel since September 1983.

### ***Chief Financial Officer***

Mr. David McPeak is currently the Chief Financial Officer and County Treasurer. Mr. McPeak was first appointed to the position of Chief Financial Officer on January 7, 1999. Prior to that, he had been Acting Chief Financial Officer since January 6, 1998. Mr. McPeak has served as Budget Director for the County since August 1993.

### ***COUNTY HISTORY***

In 1632, the first European settlers arrived in the area now known as Camden County. In 1688, the first ferry linking the area with Philadelphia was established. In 1773, Camden City was created at the site of Cooper's Ferry. With the building of the Camden and Amboy Railroad, the area began to grow rapidly. In 1869, Joseph Campbell and Abram Anderson formed a jelly and fruit producing enterprise, now known as the Campbell Soup Company. A machine shop owned by Eldridge Johnson became the Victor Talking Machine Company, later known as RCA Victor. Prior to World War I, Esterbrook Pen Co. and New York Shipbuilding Co. became well established. The completion of the Benjamin Franklin Bridge to center city Philadelphia in 1926 made it possible for people to live in the County and work in the Philadelphia area. The post-World War II boom and suburban communities' growth was accelerated by (i) the opening of the Walt Whitman Bridge in 1957, which provides a direct connection to the Philadelphia International Airport and (ii) the construction of The Port Authority Transit Corporation ("PATCO") high speed commuter line linking Lindenwold, in the southern part of the County, to center city Philadelphia. During the 1970s and 1980s, the County's economy diversified from principally an industrial base to high technology, corporate, financial and service businesses. Residential development pushed southeastward, principally into the Townships of Voorhees, Waterford and Winslow. Today, because of the prior commercial and residential expansion, a substantial portion of the County's physical infrastructure is in place.

### ***COMMERCIAL LOCATION***

The County is 140 miles equidistant between New York and Washington, D.C. and at the midpoint of the Boston-Richmond Northeast Corridor. Within one-day's drive of twelve states, businesses in the County have a potential market of about 60 million people, or about one-fourth of the United States market. As part of the Philadelphia Metropolitan Area, the County is an essential component of the nation's fourth largest market area. The Delaware River flows into the Delaware Bay which connects with the Atlantic Ocean and forms a deep water entrance to the docking and freight facilities situated along the County's riverfront, a part of the nation's second largest deep water port.

### ***HEALTH CARE SERVICES***

Within the County are four non-profit hospitals and eight County-operated health clinics. The non-profit hospitals are: (i) the 427-bed Cooper Hospital/University Medical Center located in Camden City; (ii) the Kennedy Memorial Hospitals/University Medical Center, consisting of three divisions (two of which are located within the County - the 225-bed Cherry Hill division and the 236-bed Stratford division); (iii) Our Lady of Lourdes Medical Center, a 377-bed acute care facility located in Camden City; and (iv) the Virtua Health System, consisting of three divisions - the 95-bed Berlin division, the Camden City division providing emergency room services, and the 370-bed Voorhees division.

The Camden County Health Division's eight clinics offer services ranging from family planning and prenatal clinics to cancer detection and hypertension clinics.

## ***EDUCATIONAL FACILITIES***

### ***Public School Systems***

Within the County are 36 school districts which operate 104 elementary and middle schools and 22 high schools. In addition, the County operates two vocational-technical schools (located in Pennsauken and Gloucester Townships) which provide daytime classes with an enrollment of approximately 2,100 daytime students, and evening education to approximately 1,800 students, including adults. The two vocational-technical schools employ 262 professional and 131 non-professional personnel.

### ***Private and Parochial Schools***

Excluding private nursery schools and day care centers, there are 51 private and parochial schools for grades one through twelve within the County.

### ***Charter School/Renaissance Schools***

There are ten charter schools within the County. The annual enrollment for the charter schools is approximately 4,000 students in kindergarten through grade twelve. In addition, there are three Renaissance Schools in the City of Camden (“Camden City”). These Renaissance Schools are a newer kind of public school in New Jersey that combines the autonomy of charter schools with a direct and cooperative relationship with the school district.

### ***Higher Education***

Camden County College is a comprehensive public community college with campuses in Blackwood and Camden City, as well as the William G. Rohrer Center in Cherry Hill and the Regional Emergency Training Center in Gloucester Township, that serve Camden County and the surrounding area and is a vital resource for transfer education, workforce training and cultural events. Camden County College offers associate degrees, certificate and training programs in technical fields such as automotive technology and mechanical engineering; health professions such as nursing and medical coding, and liberal arts and sciences such as English and chemistry. Additionally, the College operates the Adult Technical Institute at the Sicklerville Campus of the Camden County Technical School, and offers credit classes throughout the County in high schools, work sites, and neighborhoods. The College also has affiliations with four-year institutions such as Rutgers University, Drexel University and Thomas Jefferson University, College of Allied Health Sciences.

Rutgers - The State University of New Jersey, Camden Campus (“Rutgers”), has two four-year undergraduate liberal arts colleges, one serving students who attend classes during the day and one for those attending evening classes. In addition to liberal arts degrees offered by the College of Arts and Sciences, there is (i) a Graduate School offering master’s degree programs in biology, business administration, English and public policy, and (ii) the School of Law, evening and day curriculum, leading to a Juris Doctor degree. In September 2012, Rutgers completed construction of a student housing project consisting of a 350-bed graduate student housing facility. (See the caption, below, entitled “DEMOGRAPHIC AND ECONOMIC INFORMATION – Camden City”).

Cooper University Hospital, located in the City of Camden, is a major teaching hospital and is affiliated with the Cooper Medical School of Rowan University (“CMSRU”) located in Camden City and Rowan University’s School of Osteopathic Medicine located in the Borough of Stratford (“SOM”).



CMSRU is a four-year allopathic medical school adjacent to the Cooper Hospital complex. CMSRU opened on July 24, 2012, with its first incoming class enrolling in the Fall of 2012. (See the caption, below, entitled “DEMOGRAPHIC AND ECONOMIC INFORMATION – High Technology”). The construction of CMSRU was financed by tax-exempt and taxable revenue bonds issued by the CCIA on behalf of Rowan University.

Rowan University School of Osteopathic Medicine is a four-year public college of osteopathic medicine located in the Borough of Stratford, New Jersey and includes Rowan University’s Graduate School of Biomedical Sciences. The college is affiliated with Cooper University Hospital. It is the only college of osteopathic medicine in the State, and, until the opening of CMSRU in 2012, was the only four-year medical school in Southern New Jersey. Established in 1976 as part of the University of Medicine and Dentistry of New Jersey (“UMDNJ”), SOM became part of Rowan University on July 1, 2013. The acquisition by Rowan University of SOM from UMDNJ was financed by tax-exempt and taxable revenue bonds issued by the CCIA on behalf of Rowan University.

Kennedy Health/University Medical Center is composed of three hospitals affiliated with the Rowan University School of Osteopathic Medicine.

### ***RECREATIONAL FACILITIES***

The County’s park system consists of 14 major parks in twelve communities consisting of 1,760 acres of land and 2,000 acres of water, nine miles of horse trails and 15 miles of bike trails. Facilities in the park system include a restaurant, football and softball fields, tennis courts, a new boathouse, miniature golf courses, and a golf driving range.

### ***TRANSPORTATION FACILITIES***

#### ***Passenger***

A \$17 million Transportation Center in Camden serves as an interchange for automobiles, commuter buses and commuter rail lines. The major bus service is provided by New Jersey Transit, which provides intracounty, intercounty and interstate service, and by Greyhound, a major interstate carrier. In 2004, New Jersey Transit commenced light rail service connecting Camden City with the City of Trenton to the north and linked to the PATCO system through the Transportation Center in Camden City.

The PATCO high speed rail line, an above and below ground level 14.5 mile system from Lindenwold to center city Philadelphia is a heavily used commuter line, hosting over 200,000 commuters every week. PATCO has nine stations (with parking lots) in the County. New Jersey Transit - Rail Operations provides local rail service between Atlantic City and Philadelphia.

#### ***Freight***

Freight service by a national intrastate and interstate rail carrier, and several independently owned rail carriers, and approximately 80 trucking concerns situated in the County, provide service to business. Waterborne freight arriving from or departing to overseas destinations or other ports in the United States is handled at three major cargo handling terminals. Two of the terminals, Beckett Street and Broadway, both in Camden City, are operated by the South Jersey Port Corporation, and the third, in Gloucester City, is operated by Holt Cargo Systems. Crowley Maritime operates a major private barge service terminal in

Pennsauken, providing service to Puerto Rico and the Caribbean. The terminals are equipped for multi-purpose handling of piggyback, bulk, high and wide cargo, and containers or trailers on flatcar.

### ***Highway and Bridge Systems***

The County maintains over 400 miles of roads, which provide connections to east/west State Route 30 (White Horse Pike), State Route 168 (Black Horse Pike), State Route 70, the Atlantic City Expressway, and Interstate Routes 676 and 76 (the principal truck route over the Walt Whitman Bridge to the west); and to north/south State Route 130, which generally follows the Delaware River, Interstate Routes 295 and 95, the New Jersey Turnpike, and State Route 38 running in a northeasterly direction.

Within or adjacent to the County, five bridges provide the means to cross the Delaware River to Philadelphia and its environs, to industrial centers south of Philadelphia, and to the interstate highway network. The principal commuter bridge to center city Philadelphia is the Benjamin Franklin Bridge. The Betsy Ross and Tacony-Palmyra Bridges provide access to Pennsylvania north of Philadelphia, and the Walt Whitman Bridge, in the County's southwest portion, is the access route to the Philadelphia International Airport and the connection to routes heading west and southwest.

### ***UTILITIES***

Electricity and gas are provided by Atlantic City Electric (eastern half of the County), Public Service Electric and Gas Company, and South Jersey Gas Company. The Camden County Municipal Utilities Authority operates and maintains County-wide wastewater collection and treatment facilities (see the caption, below, entitled "AUTHORITIES OF THE COUNTY – Camden County Municipal Utilities Authority"). The Pollution Control Financing Authority of Camden County owns the land on which a 1,050 tons per day resource recovery facility operates (see the caption, below, entitled "AUTHORITIES OF THE COUNTY – Pollution Control Financing Authority of Camden County"). The major supplier of potable water is the New Jersey American Water Company which serves all or part of 23 municipalities in the County. The remaining 14 municipalities obtain water from wells. The New Jersey American Water Company, along with individual municipally operated water departments, draws water supplied by huge aquifers which are replenished by an annual average precipitation of 55 inches. To ensure adequate water supply in the future, the New Jersey American Water Company has constructed a new surface water supply, a new treatment facility and a new distribution system.

### ***LAW ENFORCEMENT***

#### ***Sheriff, Parks Police, Prosecutor's Office and Court System***

The County operates a Sheriff's Department and, prior to March 21, 2013 a Parks Police Department. On March 21, 2013, the Parks Police Department was abolished and all active officers were transferred to the Camden County Police Department (as hereinafter defined). The County also funds the Camden County Prosecutor's Office which includes an Investigators Unit. The County Court System, along with all New Jersey County Courts, is under the jurisdiction of the State.

#### ***Camden County Regional Police Department***

The County, after careful study and consideration, determined that a regional approach to policing services would offer certain municipalities within the County and, in particular, Camden City, a more effective and more efficient means of addressing public safety in the reality of the present environment in which crime increasingly cuts across municipal jurisdictional lines and in which

municipal budgets are increasingly straining to maintain services.

In furtherance of such determination, the County has created a regional police department for the purpose of providing police services to the various municipalities contained therein, including Camden City (“Camden County Police Department”). On August 18, 2011, the County and Camden City entered into a Memorandum of Understanding (“MOU”) in furtherance of the desire of the County and Camden City to create the Camden County Police Department and for such Camden County Police Department to provide policing services to Camden City. To memorialize the terms and provisions of the MOU, Camden City and the County entered into a Shared Services Agreement pursuant to which the County, by and through the Camden County Police Department, has agreed to provide police services to Camden City through a subdivision of the Camden County Police Department known as the Metro Division (“Metro Division”) in exchange for certain consideration to be paid by Camden City for such services.

As part of the process of creating the Camden County Police Department, and in particular the Metro Division, the County, Camden City and the Department of Community Affairs, Division of Local Government Services of the State of New Jersey (“DLGS”) have entered into an agreement pursuant to which all costs associated with the operation of the Metro Division are fully funded by Camden City and the DLGS.

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**SUMMARY OF LABOR RELATIONS, BENEFITS AND INSURANCE**

**County Labor Relations**

The County employed approximately 2,500 persons as of December 31, 2016. Approximately 90% of the County workforce is represented by the collective bargaining units listed below.

<u>Union</u>	<u>Approximate # Employees per Unit</u>	<u>Description</u>	<u>Contract Expires December 31</u>
CWA Local 1014, Large and Agency Shop	539	County-wide white collar & blue-collar employees in Camden	2018
CWA Local 1014, Blue, Blue	48	Blue collar employees in Public Works, Parks and Lakeland	2018
CWA Local 1014, Supervisors	35	County-wide mid-level supervisory employees	2018
CWA Local 1014, Crafts	5	Craft employees in Public Works, Parks and Lakeland	2018
CWA Local 1014, Library	109	Library clerical and blue collar employees	2018
CWA Local 1014, Library Supervisors	3	Library clerical supervisors	2015*
Library Professionals, 1454A, AFSCME	46	Library professionals	2015*
Library Professionals, 2349B, AFSCME	4	Library Branch Managers	2015*
FOP 218, County Police/SOA	377	Camden County Police Officers/Supervisors	2016*
CWA Local 1014, Mosquito Commission	6	White collar and blue collar employees at the Mosquito Commission	2018
CWA Local 1014, Prosecutor's Office	56	Clerical employees in Prosecutor's Office	2016*
Superior Officers' Association	20	Superior Officers Prosecutor's Office	2015*
Assistant Prosecutors' Association	60	Assistant Prosecutors	2016*
PBA 277 Superior Officers	6	Superior Officers, Sheriff's Office	2015*
Agents Association Local 1360	25	Agents, Prosecutor's Office	2014*
PBA 277 Sheriff's Officers	132	Sheriff Officers	2015*
FOP 212 Superior Officers	18	Correction Superior Officers	2015*
PBA 351 Correction Officers	282	Correction Officers	2015*
PBA 316 Investigators	69	Investigators, Prosecutor's Office	2015*
AFSCME 1911 Superintendent of Elections	11	Superintendent of Elections employees	2015*
FOP 218A	20	County superior police officers	2016*
FOP 218	400	County Police Officers	2016*
Assistant Fire Marshal	1	Assistant Fire Marshals	2008*
Licensed Practical Nurses, AFSCME 3633	1	LPNs at Alcohol, and Youth Center	2011*

\* Under negotiation.  
Source: The County.

In addition to the above employees, there were approximately 176 Management and Unclassified County employees not covered by any collective bargaining units as of December 31, 2016.

***Retirement Systems and County Pension Plan***

Generally, all full-time or qualified County employees who began employment after 1944 must enroll in one of two pension systems (Public Employees Retirement System (“PERS”) or Police and Firemen’s Retirement System (“PFRS”)) depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by the State. The Division of Pensions within the State’s Department of Treasury is the administrator of these systems. The County is a member of PERS and PFRS. PERS and PFRS are evaluated every year by the State with employee contribution rates normally determined by the rate applicable at the age of enrollment.

***Public Employee’s Retirement System (PERS)***

PERS included 1063 eligible County employees as of December 31, 2016.

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

824 eligible County police officers and fire fighters were enrolled in PFRS as of December 31, 2016.

***Federal Social Security System***

The County is not delinquent in its payments to the federal Social Security System (“OASI”).

***County Pension Plan***

The County’s pension plan is known as “The Detectives’, Sheriff Officers’ and Probation Officers’ Pension Plans” and is not actuarially funded by the County. Accordingly, actuarial valuations are not prepared. However, the County has a direct pension liability extending over the lives of the beneficiaries and their spouses. Employees hired after November 30, 1963 were not eligible to join the plan. The audited plan trust fund balance at December 31, 2016 was \$145,193.

***Total Retirement Benefits <sup>(1)</sup>***

The following schedule summarizes the payments by the County for the aforementioned retirement systems.

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b><u>Audited</u></b>	<b><u>Audited</u></b>	<b><u>Audited</u></b>	<b><u>Audited</u></b>	<b><u>Audited</u></b>
PERS	\$7,358,239	\$6,409,206	\$6,177,455	\$6,260,445	\$7,331,043
PFRS	10,166,967	9,145,347	9,465,839	8,800,105	8,931,210
OASI	9,478,678	9,425,930	9,204,772	8,748,243	8,396,217
County Pension Funds <sup>(2)</sup>	<u>152,090</u>	<u>162,594</u>	<u>170,706</u>	<u>170,305</u>	<u>163,049</u>
<b>Total</b>	<b><u>\$27,155,974</u></b>	<b><u>\$25,143,077</u></b>	<b><u>\$25,018,772</u></b>	<b><u>\$23,979,098</u></b>	<b><u>\$24,821,519</u></b>

<sup>(1)</sup> Reflects amounts paid in respective years.

<sup>(2)</sup> Includes the Detectives’, Sheriff Officers’ and Probation Officers’ Pension Plans and reflects appropriation amounts.

Source: The County’s Audited financial statements for fiscal years 2012 through 2016.

### ***County Insurance Programs***

The County is partially self-insured for Medical and Prescription Drug coverages, Property Damage, Automobile/General Liability, Crime and Workers' Compensation, with excess insurance on all coverages. The County and its boards, agencies, authorities and commissions presently purchase insurance or self-insure against risks of damage to persons or property of third parties, workers' compensation claims and claims against public officials through the Camden County Insurance Commission (the "Commission"), established on January 21, 2010, by Board resolution pursuant to N.J.S.A. 40A:10-6. The Commission is governed by three County officials who serve as commissioners and are appointed by the Board. Excess insurance is managed by the New Jersey Counties Excess Joint Insurance Fund, established in March 2010. As of December 31, 2013, member counties are the County, the County of Gloucester, New Jersey, the County of Union, New Jersey, the County of Burlington, New Jersey, the County of Cumberland, New Jersey, and the County of Salem, New Jersey.

For fiscal year 2017, the County budgeted \$64,275,844 as its share of the cost to provide various types of insurance coverage. Of this, \$57,620,549 was attributable to health care and health-related coverage. The \$6,655,295 balance is the annual assessment to the Camden County Insurance Commission for providing insurance for general and automobile liability, workers' compensation and bonding of public officials.

## ***COUNTY FINANCIAL OPERATIONS***

### ***Basis of Accounting***

The accounting policies of a local governmental unit in the State must conform to the accounting principles applicable to local governmental units which have been prescribed by the Division of Local Government Services of the New Jersey Department of Community Affairs. The following is a summary of the significant policies:

**Basis of Accounting** -- A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash, except for certain amounts that may be due from the State. Expenditures are recorded on an accrual basis. Appropriation reserves covering unexpended appropriation balances are automatically created on December 31 of each year and recorded as liabilities, except for amounts that may be cancelled 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 or entered into during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

**Interfunds** -- Interfund receivables in the Current Fund (discussed below) are recorded with offsetting reserves. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Fixed Assets** -- Property and equipment purchased through the Current Fund and the General Capital Fund (discussed below) are recorded as expenditures at the time of purchase and are not capitalized.

***Current Fund***

A local governmental unit finances its operations primarily through the Current Fund. All tax receipts and most revenues are paid into the Current Fund and substantially all expenditures made by appropriations are paid from the Current Fund. The County operates on a January 1 to December 31 fiscal year.

***General Expenditures***

Expenditures are comprised of those made for general County purposes, certain expenditures made from restricted federal, State and private grants, certain federal or State mandated expenditures, deferred charges, debt service and capital improvements. Budgeted expenditures for general County purposes include payments made primarily in support of the County's various departments.

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**Summary of Financial Operations for Years 2016, 2015, 2014, 2013 and 2012**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b><u>Audited</u></b>	<b><u>Audited</u></b>	<b><u>Audited</u></b>	<b><u>Audited</u></b>	<b><u>Audited</u></b>
<b>Appropriations:</b>					
General Government	\$90,163,724	\$85,697,266	\$79,280,094	\$73,850,707	\$73,144,232
Judiciary	27,439,753	26,014,152	25,063,675	23,686,964	22,514,120
Regulation	47,954,294	43,421,656	41,627,658	41,714,552	41,108,865
Roads and Bridges	6,313,484	6,720,350	7,171,257	7,335,385	6,174,801
Correctional and Penal	48,676,186	51,492,073	50,895,299	50,858,279	50,418,473
Health and Welfare	36,816,625	40,680,494	50,940,841	35,918,760	36,163,153
Education	21,994,602	21,975,169	20,978,757	20,996,757	21,044,180
Recreation	4,628,528	3,968,083	3,829,753	3,475,879	3,644,916
Unclassified <sup>(2)</sup>	873,030	1,979,030	707,150	2,389,548	401,550
State, Federal & Other Programs	40,300,171	52,285,316	55,421,041	49,541,063	41,068,544
Contingency	298,719	287,119	287,119	300,000	300,000
Capital Improvements	1,900,000	0	0	0	0
Debt Service <sup>(2)</sup>	42,164,134	42,901,544	44,017,661	42,823,427	45,409,326
Deferred Charges and Statutory Expenditures	<u>28,394,368</u>	<u>25,670,001</u>	<u>27,436,335</u>	<u>25,458,956</u>	<u>27,228,177</u>
Total General Appropriations	<u>\$397,917,618</u>	<u>\$403,092,253</u>	<u>\$407,656,640</u>	<u>\$378,350,277</u>	<u>\$368,620,337</u>
<b>Anticipated Revenues:</b>					
Miscellaneous Revenues:					
Local and Other	\$24,188,474	\$21,898,521	\$19,955,339	\$16,170,963	\$12,684,553
State, Federal and Other Grants	40,300,171	52,285,316	55,421,041	49,541,063	41,068,544
Other Special Items	<u>19,024,399</u>	<u>22,533,244</u>	<u>35,925,258</u>	<u>20,980,996</u>	<u>26,179,952</u>
Total Miscellaneous Revenues	83,513,044	96,717,081	111,301,638	86,693,022	79,933,049
Fund Balance Appropriated	13,965,634	11,247,791	11,247,791	8,535,993	7,865,111
Amount Raised by Taxation	302,639,654	296,996,717	291,262,738	285,555,857	280,121,500
Non-Budget MRNA <sup>(1)</sup>	<u>4,332,886</u>	<u>2,623,433</u>	<u>3,714,057</u>	<u>4,140,758</u>	<u>6,301,653</u>
Total General Revenues	<u>\$404,451,218</u>	<u>\$407,585,022</u>	<u>\$417,526,224</u>	<u>\$384,925,630</u>	<u>\$374,221,313</u>

<sup>(1)</sup> Miscellaneous revenues not anticipated.

<sup>(2)</sup> Recharacterization of lease payments as debt.

Source: The County's Audited financial statements for fiscal years 2012 through 2016.



## ***REVENUE SOURCES***

Revenue sources for the County's operations consist of miscellaneous revenues, federal and State assistance and/or grants, and the monies received from the County's taxes levied by the respective municipalities in the County. The County's principal revenue source is from taxes. Increased costs of certain services, such as insurance and public safety, have resulted in an increased tax levy in recent years.

### ***Apportionment of County Purpose Taxes***

Taxes for County purposes are based upon the equalized valuation, as calculated by the County's Board of Taxation, of all taxable property within the County. The County purpose taxes are apportioned among the County's constituent municipalities based upon the ratio that each municipality's equalized valuation bears to the total equalized valuation of all taxable property in the County. (It should be noted that taxes for municipal and school purposes are based on assessed valuations.)

### ***Tax Collection Procedure***

The municipalities within the County are the political entities responsible for the levying and collection of taxes on all taxable property within their borders, including the tax levy for the County. Four payments are due (August 1, November 1, February 1 and May 1).

Importantly, since the County's fiscal year runs from January 1 through December 31, the County's revenues for the first half of its fiscal year result from a levy established the previous July 1 (which is based on the prior year's budgetary needs). However, any adjustments necessary due to a change in budget from one year to the next are factored into the tax levy calculated in the middle of the County's fiscal year.

Property taxes are based on a municipality's assessor's valuation of real property on an assessed valuation basis, as confirmed by the County's Board of Taxation.

Each municipality is required to pay to the County its share of the County purpose tax on the 15th day of February, May, August and November. The County receives 100% of its share of the taxes collected from the first taxes collected by each municipality. If a municipality has not remitted in full to the County its share of omitted and added taxes by December 31 of the year of tax levy, a municipality has until February 15 of the year immediately following (45 days) to pay in full the amount due to the County.

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***Current Fund Revenue Sources***

<b><u>Year</u></b>	<b><u>Budget Requirement</u></b>	<b><u>Revenue Surplus Appropriation</u></b>	<b><u>Anticipated Revenue</u></b>	<b><u>Non-Budget Revenues</u></b>	<b><u>Amount to be Raised by Taxation</u></b>	<b><u>Percent of Tax Levy to Budget Requirement</u></b>
2016	\$397,917,618	\$13,965,634	\$83,513,044	\$4,332,886	\$302,639,654	76.06%
2015	403,092,253	11,247,791	96,717,081	2,623,433	296,996,717	73.68
2014	407,656,640	11,247,791	111,301,638	3,714,057	291,262,738	71.45
2013	378,350,277	8,535,993	86,693,022	4,140,758	285,555,857	75.47
2012	368,620,337	7,865,111	79,933,049	6,301,653	280,121,500	75.99
2011	376,369,818	7,757,823	97,138,784	3,194,207	271,577,245	72.16
2010	397,061,077	15,039,035	108,337,405	4,837,020	256,577,245	64.62
2009	384,487,118	19,150,945	121,605,665	3,039,444	242,171,733	62.99
2008	368,282,442	14,223,571	101,167,122	4,144,840	242,271,733	65.78
2007	360,478,828	8,544,824	109,479,558	1,933,865	243,271,733	67.49

Source: The County's Audited financial statements for fiscal years 2007 through 2016.

***Current Fund Balances and Amounts Utilized in Succeeding Year's Budget***

<b><u>Year</u></b>	<b><u>Balance as of December 31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>	
		<b><u>Amount</u></b>	<b><u>Percent</u></b>
2016	\$55,228,808	\$16,148,579	29.24%
2015	48,542,538	13,965,634	28.77
2014	47,188,518	11,247,791	23.84
2013	40,035,590	11,247,791	28.09
2012	32,257,996	8,535,993	26.46
2011	19,904,159	7,865,111	39.51
2010	17,338,201	7,757,823	44.74
2009	23,248,314	15,039,035	64.69
2008	30,868,445	19,150,945	62.04
2007	33,649,439	14,223,571	42.27

Source: The County's Audited financial statements for fiscal years 2007 through 2016.

**TAX INFORMATION**

**Tax Rates**

<u>Year</u>	<u>Tax Rate<sup>(1)</sup></u>	<u>Tax Apportionment</u>	<u>Tax Collection</u>	<u>Percent Collected</u>
2016	8.16	\$302,639,654	\$302,639,654	100.00
2015	8.08	296,996,717	296,996,717	100.00
2014	7.84	291,262,738	291,262,738	100.00
2013	7.64	285,555,857	285,555,857	100.00
2012	7.05	280,121,500	280,121,500	100.00
2011	6.50	271,577,245	271,577,245	100.00
2010	6.10	256,577,245	256,577,245	100.00
2009	5.60	242,171,733	242,171,733	100.00
2008	5.80	242,271,733	242,271,733	100.00
2007	6.40	243,271,733	243,271,733	100.00

(1) Per \$1,000 of assessed valuation.

Source: The County's Audited financial statements for fiscal years 2007 through 2016.

**Added and Omitted Tax Levies <sup>(1)</sup>**

<u>Year</u>	<u>Added Taxes</u>	<u>Omitted Taxes</u>	<u>Total</u>
2016	\$821,420	\$165,692	\$987,112
2015	1,300,852	379,273	1,680,125
2014	756,351	32,448	788,799
2013	640,535	217,290	857,825
2012	695,667	80,261	775,928
2011	594,383	75,988	670,371
2010	882,534	87,757	970,291
2009	882,788	87,757	970,545
2008	921,907	235,398	1,157,305
2007	1,986,537	324,286	2,310,823

(1) Added and omitted taxes not collected in the year of levy must be paid by February 15 of the calendar year next following.

Source: The County's Audited financial statements for fiscal years 2007 through 2016.

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**Comparison of Total Tax Levies to Annual Debt Service Requirements**

<b>Year</b>	<b>General Purpose Tax Levy<sup>(1)</sup></b>	<b>Bonded Debt Service Requirement<sup>(2)</sup></b>	<b>Percent of Bonded Debt Service to Tax Levy</b>
2016	\$302,639,654	\$42,164,134	13.93%
2015	296,996,717	42,901,544	14.45
2014	291,262,738	44,017,661	15.11
2013	285,555,857	42,823,427	15.00
2012	280,121,500	45,409,326	16.21
2011	271,577,245	44,112,634 <sup>(3)</sup>	16.24
2010	256,577,245	10,706,980 <sup>(3)</sup>	4.17
2009	242,171,733	8,226,059	3.40
2008	242,271,733	7,038,517	2.91
2007	243,271,733	9,050,319	3.72

<sup>(1)</sup> Excludes County Library tax levy.

<sup>(2)</sup> Excludes refunded permanent debt.

<sup>(3)</sup> Recharacterization of lease payments as debt.

Source: The County's Audited financial statements for fiscal years 2007 through 2016.

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

**Population**

Population in the County has shifted from urban areas to suburban areas with the population increase occurring primarily in the southern and eastern parts of the County. This shifting of population has resulted in an increase in retail shopping malls and other retail and office services. Two of the largest shopping malls in southern New Jersey are in the County (Voorhees Town Center in Voorhees and Cherry Hill Mall in Cherry Hill) and together with numerous other shopping centers and mini-malls share over \$5 billion in annual retail sales.

**Population Trend**

<b>Political Entity</b>	<b>----Percent Increase---</b>				
	<b>2017- EST.</b>	<b>2010</b>	<b>2000</b>	<b>1990</b>	<b>1990-2010</b>
<b>County</b>	510,150	513,657	508,932	502,824	2.15%
<b>State</b>	8,944,4695	8,791,894	8,414,350	7,730,188	13.73%

Source: Federal Census information, U.S. Department of Commerce, Economics and Statistical Administration, Bureau of the Census.

***Population Density***

<b>Political Entity</b>	<b>Square Miles</b>	<b>-----Number of Persons Per Square Mile -----</b>		
		<b>2010</b>	<b>2000</b>	<b>1990</b>
<b>County</b>	221.3	2,321.5	2,295.5	2,264.9
<b>State</b>	7,354.2	1,195.5	1,144.2	1,031.3

Source: New Jersey Department of Labor, Division of Planning and Research.

***Median Household Income Statistics***

<b>Political Entity</b>	<b>2000<sup>(1)</sup></b>	<b>2007-2011<sup>(2)</sup></b>	<b>2007-2017<sup>(2)</sup></b>
<b>County</b>	\$48,097	\$61,824	\$62,185
<b>State</b>	55,146	71,180	72,093

Sources:

<sup>(1)</sup> 2000 Federal Census Information and New Jersey Department of Labor, Division of Planning and Research.

<sup>(2)</sup> U.S. Census Bureau.

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***Trend of Employment and Unemployment***

<u>Year</u>	<u>Political Entity</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment Rate</u>
2016	County	225,629	241,640	5.5%
	State	4,328,000	4,553,000	4.9
	U.S.	159,187,000	151,436,000	4.9
2015	County	254,888	238,354	6.5%
	State	4,535,000	4,272,000	5.8
	U.S.	157,130,000	148,834,000	5.3
2014	County	253,330	233,858	7.7%
	State	4,523,000	4,221,000	6.7
	U.S.	155,922,000	146,305,000	6.2
2013	County	266,961	242,487	9.2%
	State	4,598,311	4,206,644	8.5
	U.S.	155,389,000	143,929,000	7.4
2012	County	270,200	242,500	10.3%
	State	4,592,500	4,145,200	9.8
	U.S.	154,975,000	143,469,000	8.1
2011	County	268,858	240,783	10.5%
	State	4,514,575	4,095,358	9.3
	U.S.	153,617,000	139,869,000	8.9
2010	County	268,300	240,000	10.6%
	State	4,502,400	4,076,700	9.5
	U.S.	153,889,000	139,064,000	9.6
2009	County	271,400	244,200	10.0%
	State	4,536,700	4,118,400	9.2
	U.S.	154,142,000	139,877,000	9.3
2008	County	267,100	251,000	6.0%
	State	4,502,800	4,257,000	5.5
	U.S.	154,287,000	145,362,000	5.8
2007	County	265,108	252,546	4.7%
	State	4,596,000	4,343,000	5.5
	U.S.	151,000,000	143,600,000	4.9
2006	County	271,600	257,700	5.1%
	State	4,536,000	4,301,000	5.2
	U.S.	148,559,000	140,712,000	5.3

Source: U.S. Bureau of Labor Statistics.

**Major Private Sector Employers (As of December 31, 2016)**

<b><u>Name</u></b>	<b><u>Approximate Full-Time Positions Within the County</u></b>
Cooper University Health System	7,000
American Water Works	2,000
Bancroft Brain Injury Services	2,000
Virtua Health Systems	2,000
Campbell Soup Company	2,000
NJ Protocall, Inc.	2,000
Kennedy Hospital	1,700
Our Lady of Lourdes Hospital	1,600
Diocese of Camden	1,250
Global Aluminum (USA)	1,000

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Source: Camden County

**Major Public Sector Employers (As of December 31, 2016)**

<b><u>Employer</u></b>	<b><u>Business</u></b>	<b><u>Location</u></b>	<b><u>Approximate Employment</u></b>
State of New Jersey	State Services	Camden City*	5,000
Camden City Board of Education	Education	Camden City	712
Camden County	County Services	Camden City*	2,100
U.S. Postal Service <sup>(1)</sup>	Mail Delivery	Bellmawr	4,000
Cherry Hill Board of Education	Education	Cherry Hill	1,022
Camden City	Municipal Services	Camden City	1,000
Rutgers - Camden	Education	Camden City*	1,300
Camden County College	Education	Gloucester Township	500
DRPA and PATCO <sup>(2)</sup>	Trade & Transportation	Camden City	800
Township of Cherry Hill	Municipal Services	Cherry Hill	440

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\* Principal location in the County.

<sup>(1)</sup> Does not include personnel in post office branches situated throughout the County.

<sup>(2)</sup> Port Authority Transit Corporation.

Source: Camden County.

**Major Real Property Taxpayers**

The following schedule shows the major real property owners in the County. The assessed valuation for each major property owner shown is based upon the evaluation by the tax assessor in each municipality. The amounts listed do not reflect actual tax bills as there could be adjustments due to credits and tax appeals and similar factors. Actual dollar amounts shown under the last three columns may vary due to rounding.

<u>Property Owner</u>	<u>Business</u>	<u>Municipality</u>	<u>Assessed Valuation</u>	<u>2017 Equalized Valuation<sup>(1)</sup></u>	<u>County Purpose Tax<sup>(2)</sup></u>
Cherry Hill Center/ PREIT Services	Shopping Mall	Cherry Hill	393,550,000.00	\$423,399,677	\$3,468,490
Cherry Hill Retail Partners, LLC	Retail	Cherry Hill	68,000,000.00	\$73,157,612	\$599,307
Beav-Lasall Cherry Hill Medical Center	Penn Medicine	Cherry Hill	59,900,000.00	\$64,443,249	\$527,919
Virtua Hospital	Hospital	Voorhees	49,959,300.00	\$55,087,992	\$451,281
Grand Cherry Hill	Residential	Cherry Hill	52,000,000.00	\$55,944,056	\$458,294
Campbell Soup	Manufacturing	Camden	42,378,000.00	\$39,866,416	\$326,586
Cherry Hill Town Center Partners	Retail	Cherry Hill	40,811,400.00	\$43,906,832	\$359,685
L/N CAC, LLC	l-3 Communications	Camden	35,038,300.00	\$32,961,712	\$270,022
Behringer Harvard	Residential Apartments	Cherry Hill	35,000,000.00	\$37,654,653	\$308,467
HP Altman Autumn Ridge LLC	Residential Apartments	Gloucester Township	34,982,900.00	\$33,888,308	\$277,613
Echelon Residential Unit Owner	Residential Apartments	Voorhees	33,669,400.00	\$371,258	\$3,041
SDK Millbridge Gardens, LLC	Residential Apartments	Gloucester Township	33,388,000.00	\$32,343,311	\$264,956
Cherry Hill Towers	Residential Apartments	Cherry Hill	33,300,000.00	\$35,825,713	\$293,484



Verizon – New Jersey	Communications	Camden	28,610,678.00	\$26,915,031	\$220,488
ACP Jersey Assoc	Retail	Voorhees	28,578,600.00	\$315,124	\$2,581
Camden County Realty LLC	Nursing/Behavioral Health	Glocester Township	28,090,300.00	\$27,211,373	\$222,916
Total Real Property Valuations and County Purpose Taxes:			<b><u>\$997,256,878</u></b>	<b><u>\$983,292,316</u></b>	<b><u>\$8,055,131</u></b>

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<sup>1)</sup> The equalized valuation amounts are derived by dividing the respective real property assessed valuation amounts by the applicable 2017 equalization ratio per the 2017 Equalization Table.

<sup>2)</sup> The County general purpose tax rate for 2017 was \$8.20 per \$1,000 of assessed valuation.

Source: Camden County.

### ***Retail Establishments and Manufacturing Concerns***

The County's business retail base includes not only County residents, but also shoppers from neighboring counties and the greater Philadelphia area. There are over 3,300 retail business concerns in the County.

### ***High Technology***

The County has become a center for medical research and biological testing. Some of the technological leaders in the County (as well as in the nation) include:

- Cooper Medical School of Rowan University: The first new medical school constructed in over thirty years. This new school currently has approximately 400 medical school students along with approximately 150 staff members. In addition, this 200,000 square foot state-of-the-art research facility helps to bring a critical mass to the area.
- Coriell Institute: Coriell is researching genome informed medicine, innovating advances in pre-clinical discovery, and supporting significant research around the world. Coriell has a strong history in cell biology by playing an important role in stem cell research. Coriell's biobank manages the world's most diverse collection of cell lines, DNA, and other biomaterials gathered and distributed for use by the international biomedical research community.
- MD Anderson Cancer Center at Cooper: The new MD Anderson Cancer Center at Cooper brings together MD Anderson's expertise and Cooper's regional leadership in a partnership that opens up a broader range of options for cancer patients in South Jersey, Delaware and the greater Philadelphia region. Opened in 2013, MD Anderson Cancer Center at Cooper is a state-of-the-art, \$100 million, four-story, 103,050 square foot comprehensive cancer center on Cooper's Health Sciences Campus in Camden City which expands access to outstanding cancer care for residents of southern New Jersey and beyond.
- The Rowan University/Rutgers: The Camden Board of Governors (the "Board of Governors") was created by the New Jersey Medical and Health Sciences Education Restructuring Act which took effect on August 22, 2012. The Board of Governor's mission reflects an extension of Camden's significant "eds and meds" presence and is expected to leverage the educational and research assets to support growth in the region's health care capacity. The Board of Governors is currently designing a new state-of-the-art research building with an estimated project cost of approximately \$60 million.

### ***Private and Public Sector Developments Completed in Recent Years***

Set forth below is a representative listing of some of the private and public sector developments that have been completed within the County in recent years. This representative list is not intended to be exhaustive and includes certain development projects that currently remain in the process of completion. No assurance can be provided that such currently incomplete projects will be completed successfully as currently planned and as currently scheduled.

#### **Camden City:**

##### ***Tax Credit Projects:***

Subaru of America, Inc. recently announced it will move their North American Headquarters to Camden City. The company will receive upwards of \$100 million from the NJEDA to locate and

grow jobs in the City. Subaru plans to construct a 250,000 square foot building and will house approximately 500 employees. The project is expected to cost approximately \$118 million to construct and will be sited near Campbell's Soup Company.

The Camden City waterfront is continuing to be developed. Using the NJEDA's Grow NJ program, the Philadelphia 76ers have opened a new state-of-the-art practice center along the waterfront and the construction of an administrative building is currently underway. Once complete, this new facility is expected to bring approximately 250 new jobs to Camden City and will help bring in the critical mass to the downtown area.

Holtec International is also using NJEDA's Grow NJ program to construct a new plant that will expand the company's current line of nuclear products, heat-exchange equipment, and other products for delivery to the company's customers worldwide. This project is expected to cost approximately \$260 million and bring in approximately 200 new jobs.

Lockheed Martin Corporation has been awarded tax credits to consolidate operations. This project will bring approximately 250 jobs to the City and an estimated \$146 million in capital projects.

American Water Works Company, Inc. is consolidating their operations and using tax credits to create a headquarters within Camden City. American Water Works Company, Inc. will bring in about 600 jobs from various locations and relocate them within Camden City. This new facility will be located near Campbell's Soup Company and Subaru of America, Inc.

ResinTech Inc. has been approved by the NJEDA for a 10-year tax incentive to relocate to Camden City. ResinTech Inc. manufactures a broad range of ion exchange resins for water and waste water treatment, including deionization, softening, metals removal, product purification, resource recovery, and pollution control. In addition to its ion exchange resins, ResinTech Inc. supplies activated carbon and inorganic selective exchangers. The firm will retain 92 full-time positions that are currently in-state and is expected to add an additional 173 new full time jobs.

Other businesses which have been awarded tax incentives by the NJEDA in Camden City include:

<u>Business</u>	<u>Award Amount</u>	<u>Total Eligible Capital Investment</u>	<u>New Jobs</u>	<u>Retained Jobs (At Risk Job)</u>
EMR Eastern LLC and Affiliates	\$252,750,000	\$252,750,000	285	62
ACTEGA North America, Inc.	40,000,000	40,882,760	21	79
Cooper Health System	39,990,000	9,130,000	19	353
Contemporary Graphics	33,900,000	7,474,436	56	170
Chef'd LLC	19,000,000	11,378,789	200	0
Dubell Lumber Co.	18,300,000	6,050,000	30	92
IPAK, Inc.	17,100,000	1,359,000	0	114
Great Socks, LLC	13,000,000	1,604,047	33	67
Amerinox Processing, Inc.	7,950,000	2,830,000	8	45
DioGenix Inc.	7,455,000	2,991,986	71	0
Volunteers of America DV	6,337,500	2,313,981	0	65
WebiMax LLC (2)	6,035,000	400,000	21	50
Clean Green Textile Service, LLC	5,000,250	910,000	0	59
Greener Cleaner Inc.	4,180,000	1,291,987	0	44
Advanced Hydraulic Systems,	4,050,000	1,675,000	27	0

<u>Business</u>	<u>Award Amount</u>	<u>Total Eligible Capital Investment</u>	<u>New Jobs</u>	<u>Retained Jobs (At Risk Job)</u>
Inc. Plastics Consulting and Manu. Co.	3,920,000	1,700,000	8	20

Source: New Jersey Economic Development Authority [http://www.njeda.com/pdfs/reports/Approved\\_GrowNJ\\_EOA.aspx](http://www.njeda.com/pdfs/reports/Approved_GrowNJ_EOA.aspx)

***Education:***

Rutgers University is expected to open both a new nursing and business school. These two projects will expand the footprint of the University and connect Rutgers with other portions of Camden City, bringing retail and other possible venues to the downtown area. In addition, Rowan University will expand its footprint within the Camden City with the renovation of a historic bank to its downtown campus.

**Cherry Hill Township:**

***Health Care Services:***

Cherry Hill Township has seen a number of construction projects that have focused on health service providers. The first project is the transformation of the old 150,000 square foot “Syms” building to a state-of-the-art medical complex which houses a division of the University of Pennsylvania Health System. This project has allowed the Health System to consolidate services into one building.

Another project is the expansion of Kennedy Health System. The transformation of the old hospital to a world class healthcare facility has begun. Kennedy plans to bring a family centric facility that will enhance healthcare access to the Community. This multimillion dollar project has started and should continue over the next few years.

LourdesCare at Cherry Hill is another health care transformation project. This renovation project allowed Lourdes Health System to consolidate services and renovate an approximately 150,000 square foot building for expert medical care, support services, and wellness programs. Over the last year, Lourdes has opened an urgent care facility at this location.

***Mixed-Use:***

A key revitalization project at the former Garden State Racetrack continues to flourish. This 530,000 square feet development is occupied by many national retailers and restaurants, including Wegmans, Home Depot, Dick’s Sporting Goods, Best Buy, Barnes & Noble, Bed, Bath & Beyond, Christmas Tree Shops, Cheesecake Factory, Houlihans’s and Nordstrom’s Rack. The development is more than just a retail destination. It also serves as a downtown area for one of the largest municipalities in New Jersey. The project will be continuing to mix residential housing and office space as well as planning for civic or community space. The Garden State Park enhancements have spurred additional development along the Haddonfield Road corridor where a few years ago many vacancies existed. Now there are restaurants and thriving business fronts. Furthermore, it has sparked a transformation at the Cherry Hill Mall, one of the premier shopping destinations in the Delaware Valley. The move to upscale retailers and restaurants at the mall has doubled the sales of some of the retail outlets.

## Gloucester City:

Over the last several years, Gloucester City has enhanced its valuable waterfront properties by making infrastructure improvements to Freedom Pier and attracting businesses to town. Two new eating establishments have opened to increase quality dining options for residents and visitors. These restaurants have created over 100 permanent jobs for local residents. In addition to retail and dining, the waterfront offers Gloucester City unique opportunities with the local marine terminal. In 2014, Organic Diversion, a renewable waste company, broke ground on a new facility to convert food waste to energy. In addition, the local economic development team is actively pursuing other small businesses to fill two newly renovated office spaces in its downtown district.

## Gloucester Township:

August 2015 saw the opening of a new 450,000 square foot premium outlet shopping center located along Route 42. This project has brought new jobs and retail space to this section of the County. In addition, the township, along with private developers, opened a another significant shopping area on Berlin-Cross Keys Road, a major roadway in the County and right off the Atlantic City Expressway. The township has been very successful in retaining and attracting commercial, industrial and public/private business like US Vision. They have expanded and attracted business on the County-owned Lakeland Complex including an Armed Forces and Public Safety Training facility plus senior housing units.

## Pennsauken Township:

Aside from Camden City, Pennsauken Township has seen a significant number of NJEDA tax incentive projects. Older, abandoned warehouses are being converted to manufacturing and other spaces. It is estimated that over one million square feet of office and industrial space has been rehabilitated as a result of the availability of this tax incentive program. The companies taking advantage of the incentives range from high-tech manufacturing to warehousing and distribution. The companies have either relocated to the Township from other areas or have expanded within the Township. This growth has led to the stabilization of the industrial parks within the Township.

The businesses which have been awarded tax incentives by the NJEDA in the Township include:

<u>Business</u>	<u>Award Amount</u>	<u>Total Eligible Capital Investment</u>	<u>New Jobs</u>	<u>Retained Jobs (At Risk Job)</u>
BAYADA Home Health Care, Inc.	\$18,441,120	\$11,502,955	162	357
Princeton Tectonics	18,315,000	3,650,220	156	95
Stoncor Group Incorporated	9,987,500	11,200,483	75	85
Edison Lithographing & Printing	8,075,000	4,420,000	95	0
Virtua-West Jersey Health	7,228,360	4,689,973	77	136
Microcision LLC	7,000,000	969,052	70	0
LiDestri Foods, Inc.	6,247,500	6,764,525	60	27
Dicalite Management Group, Inc.	3,780,000	8,850,000	36	0
SodaStream USA, Inc.	3,527,500	1,269,000	26	31
Stay Fresh Foods, LLC	3,400,000	4,745,000	40	0
Berry & Homer, Inc.	3,145,000	1,150,500	37	0
Barry Callebaut USA LLC	2,730,000	5,250,000	26	0
Material Handling Supply, Inc.	1,852,500	3,975,000	0	57

<u>Business</u>	<u>Award Amount</u>	<u>Total Eligible Capital Investment</u>	<u>New Jobs</u>	<u>Retained Jobs (At Risk Job)</u>
Audio and Video Labs, Inc.	1,475,500	3,629,068	25	0
RedHawk Distribution, Inc.	1,275,000	380,000	30	0

Source: New Jersey Economic Development Authority [http://www.njeda.com/pdfs/reports/Approved\\_GrowNJ\\_EOA.aspx](http://www.njeda.com/pdfs/reports/Approved_GrowNJ_EOA.aspx)

The Township, in cooperation with The Camden County Improvement Authority (“CCIA”), has undertaken the redevelopment of an approximately 35-acre tract at the intersection of Routes 73, 130 and 90 (“Crossroads Site”) pursuant to which the Township and the CCIA have acquired and prepared the Crossroads Site for commercial and residential redevelopment. On April 7, 2016, the CCIA sold a 31-acre residential portion of the Crossroads Site to Renaissance Partners, LLC (the “Redeveloper”). The Redeveloper is expected to construct residential apartment units, a club house and associated site improvements. The Redeveloper remains interested in the 4-acre commercial site. See “AUTHORITIES OF THE COUNTY – The Camden County Improvement Authority” herein regarding certain outstanding taxable bonds issued by the CCIA for the purpose of refinancing outstanding taxable notes, the proceeds of which were used to finance the costs associated with the acquisition of the Crossroads Site and certain environmental amelioration measures related thereto.

**White Horse Pike Corridor:**

New housing is under construction along the White Horse Pike section of Clementon Borough. The first 50 units of a 200 unit town-house complex are underway. This residential project is part of a multimillion dollar redevelopment project to bring mixed-use development to the Borough.

In Somerdale Borough, “CooperTowne Business District” which is a renamed industrial complex that is now focusing on redevelopment. The borough recently added Flying Fish Brew Company to the business district. Flying Fish Brew Company is located immediately adjacent to the retail complex, and its opening demonstrates the value of the redevelopment efforts and the positive outgrowth to other areas in town and throughout the White Horse Pike corridor.

**Voorhees Township:**

The Route 73 corridor continues to see major development projects. The Virtua Health System Voorhees Campus continues to drive the growth of the corridor. New support services for the hospital have developed, including a 110 room hotel. In addition to hotels, assisted living facilities continue to grow in the area. A recently constructed senior care facility was completed along with a major physical therapy center. Samaritan Hospice is constructing an inpatient hospice facility adjacent to the Virtua campus which will add to the “Medical Mile” as another key anchor for the corridor. As the medical facilities grow so do retail facilities along the corridor. New stores and restaurants continue to open.

The Comar Holding Company was awarded a tax incentive by the NJEDA in the amount of \$850,000 which is expected to create approximately 118 new jobs in the Township.

## Winslow Township:

Over the past year, the Camden County Municipal Utilities Authority completed a \$50 million dollar construction project to provide 25 miles of sewer pipelines. This project has allowed the township to jumpstart new projects including a new 30,000 square foot CarMax used car super store to be located along Cross Keys road. In addition, new housing opportunities and retail projects have all gained momentum with the completion of the sewer project.

Other businesses which have been awarded tax incentives by the NJEDA in the Township include:

<u>Business</u>	<u>Award Amount</u>	Total Eligible Capital <u>Investment</u>	New Jobs	Retained Jobs ( <u>At Risk Jobs</u> )
The Eggo Company	\$9,440,000	\$85,500,000	118	0
United Asphalt Company	1,312,500	1,032,500	8	19

Source: New Jersey Economic Development Authority [http://www.njeda.com/pdfs/reports/Approved\\_GrowNJ\\_EOA.aspx](http://www.njeda.com/pdfs/reports/Approved_GrowNJ_EOA.aspx)

## Net Assessed Valuation by Classification of Real Property

<u>Type of Real Property</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Residential	27,934,100,590	\$27,824,383,357	\$26,849,463,048	\$26,848,572,226	\$24,194,447,020
Apartment	1,343,744,100	1,374,146,900	1,355,101,500	1,339,303,900	1,069,712,900
Commercial	5,599,987,634	5,549,057,027	5,269,721,727	5,300,895,653	4,445,999,132
Industrial	861,031,200	832,557,600	796,537,400	803,488,300	686,281,400
Farm	61,556,559	72,316,129	65,516,229	68,218,600	51,876,320
Vacant Land	<u>478,036,750</u>	<u>487,463,050</u>	<u>470,578,538</u>	<u>473,214,239</u>	<u>417,294,436</u>
Sub-Total	36,278,456,833	36,139,924,063	34,806,918,442	34,833,692,918	30,865,611,208
Exempt:					
Public <sup>(1)</sup>	4,275,375,573	3,887,544,771	3,687,115,171	3,675,825,371	3,068,481,500
Other <sup>(2)</sup>	<u>3,261,722,390</u>	<u>3,511,329,840</u>	<u>3,431,191,940</u>	<u>3,439,556,040</u>	<u>3,166,404,870</u>
Total Assessed Valuation of Real Property	<u><b>43,815,554,796</b></u>	<u><b>43,538,798,674</b></u>	<u><b>41,925,225,553</b></u>	<u><b>41,949,074,329</b></u>	<u><b>37,100,497,578</b></u>

<sup>(1)</sup> Includes school, municipal, County, State and federal properties.

<sup>(2)</sup> Includes private and denominational schools and colleges, church and charitable properties, and properties exempt under the Fox-Lance tax abatement program.

Source: Tax duplicates for years shown for each municipality located in the County's Abstract of Ratables for the years shown.

## Net Assessed and Equalized Valuations of Real and Personal Property

<u>Net Assessed Valuation:</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Real Property <sup>(1)</sup>	36,278,466,833	\$36,139,924,063	\$34,806,918,442	\$34,833,692,918	\$30,865,611,208
Personal Tangible Property <sup>(2)</sup>	<u>93,233,443</u>	<u>94,416,999</u>	<u>93,098,192</u>	<u>108,247,043</u>	<u>101,237,578</u>
Total Net Assessed Valuation:	36,371,700,276	36,234,341,062	34,900,016,634	34,941,939,961	30,966,848,786
Percentage Increase over Previous Year	0.0379	0.0382	-0.0012	0.1284	0.0666
Equalized Valuation <sup>(3)</sup>	<u><b>\$37,296,017,018</b></u>	<u><b>\$36,820,011,052</b></u>	<u><b>\$37,266,969,933</b></u>	<u><b>\$37,528,970,405</b></u>	<u><b>\$41,799,470,353</b></u>

<sup>(1)</sup> Net assessed valuation after deductions permitted under State statutes.

<sup>(2)</sup> Composed of "machinery implements and equipment" of telephone, telegraph and messenger systems.

<sup>(3)</sup> As equalized by the County.

Source: The County Abstract of Ratables for each of the years shown.

## ***COUNTY DEBT INFORMATION***

### ***General Information***

The State has enacted certain statutes regulating the authorization and issuance of debt by governmental units. The statutory gross debt must include all debt authorized plus all debt issued which remains outstanding. Debt, bonds or notes, which have been refunded, and payment for which is made from escrowed U.S. Treasury securities or other permitted investments, is considered defeased. However, any debt which is self-supporting or which is payable from other sources may be deducted from the statutory gross debt to arrive at the amount of statutory net debt. The statutory net debt figure is the amount used to determine whether a local governmental unit is within the limit of its statutory borrowing power.

Subject to certain exceptions, the County's debt incurring power is limited by State statute to 2.00% of the equalized valuation, determined annually by the State, of all taxable property within the County (see "-Statutory Borrowing Power" below). The County's general purpose bonds must be issued in serial form with the first principal payment to occur within one year of an issue's date and the final maturity not to exceed the weighted average useful life of the capital improvement(s) funded with the proceeds of such general purpose bonds. Subject to certain exceptions, general purpose bonds must be sold on a competitive bid basis and the amount bid for a bond issue may not exceed \$1,000 above or be less than the principal amount of a bond issue. Except in certain instances, refunding bonds may be sold, at public or private sale, with the approval of the New Jersey Local Finance Board (the "LFB"). Notes may be sold on a competitive, negotiated, or private sale basis for a period of one year, and may be renewed annually, but the final maturity may not exceed the first day of the fifth month immediately following the end of the tenth fiscal year following the original date of issuance.

### ***Appropriation Not Required for Payments on Debt***

It is not necessary to have an appropriation in order to release money for debt service on obligations. N.J.S.A. 40A:4-57 provides that "No officer, board, body or commission shall, during any fiscal year, expend money (except to pay notes, bonds or interest thereon), incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose." N.J.S.A. 40A:2-4 provides that "The power and obligation of a local government unit to pay any and all bonds and notes issued by it pursuant to this Chapter, or any act of which this Chapter is a revision, shall be unlimited...."

### ***Limitation on Tax Levy/Appropriations***

Chapter 68 of the Pamphlet Laws of 1976 (N.J.S.A. 40A:4-45.1, et seq.), as amended and supplemented (the "CAP law"), imposes restrictions which limit the allowable increase in the County's tax levy/appropriations over the previous year's tax levy/appropriations to the lesser of 2.5% or the increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services as published by the United States Department of Commerce (the "Cost-of-Living Adjustment"). If the Cost-of-Living Adjustment is equal to or less than 2.5%, an increase up to 3.5% will be permitted upon adoption by the County of a resolution after public notice and a public hearing. This limitation does not apply to: (i) all debt service payments; (ii) the amount of revenue generated by the increase in valuations within the County based solely on applying the preceding year's County tax rate to the apportionment valuation of new construction or improvements within the County and such increase shall be levied in direct proportion to said valuation; (iii) capital expenditures funded by any source; (iv) an increase involving certain defined categories of emergency temporary appropriations as approved by the LFB in certain cases; (v) amounts required to be paid pursuant to any contract between the County and any political subdivision or public body in connection with the provision and/or financing of projects for



certain public purposes such as water, sewer, solid waste, parking, senior citizens' housing (subject to the review and approval of the LFB) or any similar purpose; or (vi) that portion of the County tax levy which represents funding to participate in any federal or State aid program and amounts received or to be received from federal, State or other funds in reimbursement for local expenditures.

Additionally, legislation constituting P.L. 2007, c.62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for debt service and capital lease payments to county improvement authorities, increases to replace certain lost state aid, increases in certain pension contributions, increases in the reserve for uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The LFB may approve waivers for certain extraordinary costs identified by statute and voters may approve increases over 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

Additionally, legislation constituting P.L. 2010, c.44, effective July 13, 2010, reduces the 4% cap on the tax of a municipality, county and school district to 2%, with certain exceptions, including increases required to be raised for debt service, for pension contributions and accrued liability for pension contributions in excess of 2%, for 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% of the total health care costs in the prior year, subject to certain other limitations, and extraordinary costs incurred by a local unit directly related to a declared emergency. The voters may approve increases over 2% not otherwise permitted by a vote of a majority of the voters voting on a public question.

The CAP law does not limit 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.

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**Statutory Debt Information (as of December 31, 2016)**

	<u>Gross</u>	<u>Deduction</u>	<u>Net</u>
Total Gross Debt	\$674,440,269		
Total Deductions		\$298,302,388	

**Total Net Debt December 31, 2016:** **\$376,137,881**

Source: Camden County.

**Statutory Borrowing Power (as of December 31, 2016)**

Three-Year Average Equalized Valuation <sup>(1)</sup> .....	\$36,978,324,155
Statutory Borrowing Power <sup>(2)</sup> .....	739,566,483
Statutory Net Debt .....	376,137,881
Remaining Statutory Borrowing Power .....	363,428,602
Debt Ratios:	
Statutory Net Debt to Previous Three-Year Average Equalized Valuation.....	1.017%
Statutory Net Debt Per Capita (Population - 513,657) <sup>(3)</sup> .....	\$732.27

<sup>(1)</sup> Average for three years (2016, 2015 and 2014) as calculated by the State.

<sup>(2)</sup> 2.00% of the three-year average equalized valuation.

<sup>(3)</sup> Based on the 2010 Census.

Source: Camden County.

**Trend of Statutory Remaining Borrowing Power (as of December 31, 2016)**

<u>Year</u>	<u>Equalized Valuation<sup>(1)</sup></u>	<u>Statutory Borrowing Power<sup>(2)</sup></u>	<u>Bonds Outstanding<sup>(3)</sup></u>	<u>Notes Outstanding</u>	<u>Deductions<sup>(4)</sup></u>	<u>Direct Net Debt Outstanding</u>	<u>Authorized But Unissued Debt</u>	<u>Remaining Statutory Borrowing Power</u>
2016	\$36,879,324,155	\$739,566,483	\$349,819,957	-0-	\$9,347,201	\$340,472,756	\$35,665,125	\$363,428,602
2015	36,881,183,335	737,623,667	304,698,014	-0-	12,761,633	291,936,381	204,000	445,483,286
2014	37,194,237,025	743,884,741	259,538,219	-0-	15,276,822	244,261,397	204,000	499,419,344
2013	38,298,871,360	765,977,427	229,956,352	-0-	13,774,588	216,181,764	3,909,000	545,886,663
2012	39,506,719,855	790,134,397	207,083,144	-0-	10,684,251	196,398,893	16,704,000	593,735,504
2011	40,623,454,735	812,469,095	204,097,877	-0-	12,448,718	191,649,159	25,204,000	620,819,936
2010	41,549,066,998	830,981,340	190,058,610	-0-	11,203,142	178,855,468	25,204,000	652,125,872
2009	41,671,790,361	833,435,807	97,099,403	-0-	9,587,622	87,511,781	-0-	745,924,026
2008	40,370,492,792	807,409,856	81,287,813	-0-	11,896,209	69,391,604	4,000,000	734,018,252
2007	37,228,414,013	744,568,280	61,164,398	-0-	9,073,816	51,090,582	-0-	693,477,698

<sup>(1)</sup> Three-year average equalized valuation as calculated by the State.

<sup>(2)</sup> 2.00% of the State's three-year average equalized valuation.

<sup>(3)</sup> Represents statutory net direct bonded debt issued and authorized plus bonded debt issued for County College purposes.

<sup>(4)</sup> Includes other notes receivable and cash held by the County pledged to the payment of debt, early retirement refunding bonds and the outstanding portion of CCIA County College Bonds on which the State pays a portion of the annual debt service.

Source: Camden County.

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***Trend of Permanent Direct Debt Issued by the County***

<b><u>Year Ending December 31</u></b>	<b><u>Outstanding Permanent Debt</u><sup>(1)(2)</sup></b>
2016	\$340,472,756
2015	291,936,381
2014	244,261,397
2013	216,181,764
2012	196,398,893
2011	191,649,159
2010	178,855,468
2009	87,511,781
2008	69,391,604
2007	51,090,582

<sup>(1)</sup> Excludes (i) permanent debt for which there are accounts receivable or funds on hand pledged to the payment thereof and (ii) pension refunding bonds.

<sup>(2)</sup> Excludes Authorized But Unissued Debt.

Source: Camden County.

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**Schedule of Annual Debt Service Requirements on the county's Tax Supported Debt  
(as of September 15, 2017))**

Year	<u>County General Obligation Bond Debt Service</u> <sup>(1)</sup>			<u>CCIA Debt Service Paid by the County Under a Lease or Loan Agreement</u> <sup>(1)(2)(3)</sup>			<u>Combined County Tax Supported Debt</u> <sup>(1)(2)(3)</sup>		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2017	680,000	35,840	715,840	1,933,000	270,958	2,203,958	2,613,000	306,798	2,919,798
2018	2,437,500	875,043	3,312,543	23,588,201	15,697,587	39,285,787	26,025,701	16,572,629	42,598,330
2019	2,772,500	813,718	3,586,218	24,027,331	14,647,886	38,675,217	26,799,831	15,461,604	42,261,435
2020	3,107,500	742,038	3,849,538	23,044,459	13,652,213	36,696,672	26,151,959	14,394,251	40,546,210
2021	3,102,500	665,270	3,767,770	24,053,870	12,612,432	36,666,302	27,156,370	13,277,702	40,434,072
2022	2,177,500	584,325	2,761,825	24,419,365	11,365,574	35,784,939	26,596,865	11,949,899	38,546,764
2023	2,237,500	521,081	2,758,581	24,331,952	10,143,248	34,475,200	26,569,452	10,664,329	37,233,781
2024	2,027,500	456,731	2,484,231	25,634,539	8,931,133	34,565,672	27,662,039	9,387,864	37,049,903
2025	2,085,000	391,550	2,476,550	26,827,126	7,648,720	34,475,845	28,912,126	8,040,270	36,952,395
2026	2,145,000	321,413	2,466,413	24,550,712	6,398,896	30,949,608	26,695,712	6,720,308	33,416,021
2027	2,217,500	246,406	2,463,906	18,279,582	5,444,406	23,723,988	20,497,082	5,690,812	26,187,894
2028	1,552,500	180,234	1,732,734	14,713,169	4,667,377	19,380,545	16,265,669	4,847,611	21,113,280
2029	1,605,000	123,456	1,728,456	14,451,755	3,973,284	18,425,039	16,056,755	4,096,740	20,153,496
2030	1,187,500	70,339	1,257,839	11,220,342	3,343,176	14,563,518	12,407,842	3,413,515	15,821,357
2031	1,087,500	23,220	1,110,720	11,703,929	2,780,110	14,484,039	12,791,429	2,803,330	15,594,759
2032	-	-	-	10,952,233	2,222,968	13,175,201	10,952,233	2,222,968	13,175,201
2033	-	-	-	5,225,537	1,817,172	7,042,710	5,225,537	1,817,172	7,042,710
2034	-	-	-	4,565,000	1,565,376	6,130,376	4,565,000	1,565,376	6,130,376
2035	-	-	-	4,735,000	1,319,949	6,054,949	4,735,000	1,319,949	6,054,949
2036	-	-	-	4,920,000	1,060,040	5,980,040	4,920,000	1,060,040	5,980,040
2037	-	-	-	5,115,000	790,678	5,905,678	5,115,000	790,678	5,905,678
2038	-	-	-	3,505,000	511,487	4,016,487	3,505,000	511,487	4,016,487
2039	-	-	-	3,635,000	311,542	3,946,542	3,635,000	311,542	3,946,542
2040	-	-	-	3,770,000	104,972	3,874,972	3,770,000	104,972	3,874,972
2041	-	-	-	-	-	-	-	-	-
	30,422,500	6,050,665	36,473,165	339,202,102	131,281,182	470,483,284	369,624,602	137,331,847	506,956,449

- (1) General Obligation and CCIA debt service is net of payments from the State of New Jersey pursuant to the provisions of the County College Bond Act, P.L. 1971, c. 12 (N.J.S.A. 18A:64A-22.1 et seq.), as amended.
- (2) CCIA debt service excludes the federal subsidies associated with the outstanding \$16,065,000 County Guaranteed Loan Revenue Bonds (County Capital Program), 2009 Series A (Federally Taxable - Issuer Subsidy - Build America Bonds), \$4,720,000 General Obligation Revenue Bonds (Camden County College Project), 2010 Series A-2 (Federally Taxable - Issuer Subsidy - Build America Bonds), \$17,090,000 General Obligation Revenue Bonds (Camden County College Project), 2010 Series A-3 (Federally Taxable - Issuer Subsidy - Recovery Zone Economic Development Bonds) and \$11,955,000 County Guaranteed Loan Revenue Bonds, Series 2010 (Federally Taxable - Issuer Subsidy - Recovery Zone Economic Development Bonds).
- (3) CCIA debt service excludes \$10,740,00 County-Guaranteed Open Space Trust Fund Revenue Refunding Bonds, Series 2012 and \$5,690,000 County-Guaranteed Open Space Trust Fund Revenue Bonds, Series A of 2012 which are paid through the County Open Space Tax.

## **COUNTY LITIGATION**

From time to time, the County is the subject of litigation initiated by plaintiffs seeking monetary judgments against the County. When the County is determined to be liable in such instances, the judgment against the County generally is paid from self-insurance funds and/or applicable liability insurance policies maintained by the County (see “County Insurance Programs” under the general heading “SUMMARY OF LABOR RELATIONS, BENEFITS AND INSURANCE” herein).

## **AUTHORITIES OF THE COUNTY**

Under laws creating authorities, a local governmental unit may enter into a contract or agreement to borrow funds from an authority or, under a guaranty or deficiency type of agreement, guarantee debt service payments on debt issued by an authority. If a local governmental unit borrows funds from an authority, such borrowing is not included in a local governmental unit’s statutory gross debt. If a local governmental unit guarantees all or any part of an authority’s outstanding debt, the portion of debt service not payable from an authority’s revenues and which is guaranteed by a local governmental unit must be included in a local governmental unit’s statutory net debt amount.

The County has created three County-wide authorities: the Camden County Municipal Utilities Authority, The Camden County Improvement Authority and the Pollution Control Financing Authority of Camden County (collectively the “Authorities”). A description of each Authority and its respective outstanding debt is set forth below.

***The following information applies to each of the Authorities and should be noted. None of the Authorities has the power to levy or collect taxes. The debt issued by any one of the Authorities is neither a debt nor a liability of the State, the County (except to the extent of any deficiency agreement or guaranty or other agreement), nor any other political subdivision of the State, except the respective Authority, and does not and shall not create or constitute any indebtedness of the State, the County (except to the extent of any deficiency agreement or guaranty or other agreement), or any other political subdivision of the State, except the respective Authority.***

### ***Camden County Municipal Utilities Authority***

The Camden County Municipal Utilities Authority (“CCMUA”) is a public body corporate and politic of the State and was originally created as the Camden County Sewerage Authority (“Sewerage Authority”) by a resolution of the County adopted on December 5, 1967. The Sewerage Authority was reorganized in 1972 as a utilities authority and changed its name to the Camden County Municipal Utilities Authority pursuant to a resolution of the County adopted on April 13, 1972. The CCMUA operates under the supervision of nine commissioners who are appointed by the Board for five-year staggered terms. The County has entered into a deficiency agreement with the CCMUA (“Deficiency Agreement”) whereby the County is obligated to pay to the CCMUA any annual charges equal to any deficits in CCMUA revenues necessary to pay or provide for: (i) operation and maintenance expenses of the CCMUA’s regional sewer system, (ii) principal and interest payments on bonds and notes of the CCMUA in an aggregate principal amount not to exceed \$685,500,000, and (iii) the maintenance of reserves required under the bond resolution securing the CCMUA’s bonds and notes. The obligation of the County pursuant to the provisions of the Deficiency Agreement is a direct and general obligation of the County, and any annual charges are ultimately payable by the County from the levy of *ad valorem* taxes on all the taxable real property within the jurisdiction of the County in amounts sufficient to enable the County to meet its obligations under the Deficiency Agreement. ***To date, no payments have been required to be made by the County pursuant to the Deficiency Agreement.*** The County and the

CCMUA may agree to amend the Deficiency Agreement at any time to increase the obligations of the County thereunder.

The CCMUA owns and operates a sewage collection and treatment system which serves all County residents connected to local sewer collection systems. The CCMUA's system does not include the local sewage collection system of any CCMUA participant, but it owns and operates interceptor sewer lines connecting the local systems to the CCMUA's sewage treatment facilities.

The CCMUA is required to charge and collect service charges for the use of its facilities such that revenues of the CCMUA will at all times be adequate to pay all operating and maintenance expenses, including reserves, insurance, extensions and replacements, and to pay punctually the principal of and interest on any bonds and notes of the CCMUA and to maintain reserves and sinking funds therefor as may be required by the terms of any agreements with the holders thereof.

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**CCMUA'S Outstanding Debt (as of December 31, 2016)**

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
Sewer Revenue Refunding Bonds 2008	4.85-5.25%	06-11-08	07-15-17	\$ 8,740,000
Sewer Revenue Bonds Series 2006A	3.45-4.05%	10-11-06	07-15-26	3,100,000
Sewer Revenue Refunding Bonds 2006B	4.00-5.00%	09-20-06	07-15-17	12,055,000
County Agreement Sewer Revenue Capital Appreciation Bonds <sup>(1)</sup>				
1990 A Series	6.80-7.35%	02-21-90	09-01-19	31,720,600
1990 B Series	6.80-7.35%	02-21-90	09-01-17	17,675,550
New Jersey Environmental Infrastructure Trust Program (Trust Loan Bonds):				
Refunding Series 2006A	5.00-5.25%	06-22-06	08-01-20	1,107,994
Refunding Series 2006A	5.00-5.25%	06-22-06	08-01-20	1,039,074
Series 2007A	3.40-5.00%	11-08-07	08-01-27	0
Series 2008A	5.00-5.25%	11-06-08	08-01-28	595,000
Series 2010A	3.50-5.00%	03-02-10	08-01-29	1,625,000
Series 2010A Refunding Series 2003A	4.00-5.00%	08-18-10	08-01-23	661,282
Series 2010A Refunding Partial Series 2006A	2.14%	08-18-10	08-01-24	609,100
Series 2010B	5.00%	12-02-10	08-01-30	645,000
Series 2012A	3.00-5.00%	05-03-12	08-01-31	13,215,000
Series 2012A	3.00-3.25%	05-03-12	08-01-31	975,000
Series 2012A-R Refunding Partial Series 2006A	3.125-4.0%	08-01-12	08-01-26	5,326,598
Series 2013A	3.00-5.00%	09-01-13	08-01-32	1,675,000
Series 2015A-1 (14)	3.00-5.00%	05-27-15	08-01-34	1,280,000
Series 2015A-1 (10)	3.00-5.00%	05-27-15	08-01-32	340,000
Series 2015A-R1 Refunding Series 2007A	3.00-5.00%	11-21-15	08-01-27	1,876,000
Series 2015A-2 (06)	3.00-5.00%	11-24-15	08-01-30	365,000
Series 2015A-2 (14)	3.00-5.00%	11-24-15	08-01-34	105,000
Series 2016A-R1 Refunding Series 2008A	4.50-5.00%	05-10-16	08-01-28	3,641,000
Series 2016A-R2 Refunding Series 2010B	4.50-5.00%	05-10-16	08-01-30	3,031,000
Series 2016 Construction Financing Program	0%	07-19-16	06-30-20	<u>1,386,727</u>
Total for Trust				<u>39,498,775</u>
New Jersey Environmental Infrastructure Trust Program (Fund Loan Bonds):				
Series 2000	0%	11-09-00	08-01-20	561,880
Series 2000	0%	11-09-00	08-01-20	282,749
Series 2003	0%	11-06-03	08-01-23	1,410,805
Series 2006 B	0%	11-09-06	08-01-26	13,123,012
Series 2007 B	0%	11-08-07	08-01-27	4,929,409
Series 2008 B	0%	11-06-08	08-01-28	10,698,320
Series 2010 A	0%	03-20-10	08-01-29	1,441,607
Series 2010 B	0%	03-20-10	08-01-30	10,955,354
Series 2012A (PF)	0%	05-03-12	08-01-31	32,397,348
Series 2012A (CW)	0%	05-03-12	08-01-31	2,831,250
Series 2013A	0%	09-01-13	08-01-32	4,185,032
Series 2015A-1 (14)	0%	05-27-15	08-01-34	2,124,711
Series 2015A-1 (10)	0%	05-27-15	08-01-32	899,695
Series 2015A-2 (06)	0%	11-24-15	08-01-30	1,106,966
Series 2015A-2 (14)	0%	11-24-15	08-01-34	305,920
Series 2016 Construction Financing Program	0%	07-19-16	06-30-20	<u>4,000,174</u>
Total for Fund				<u>91,254,232</u>
First Colonial Community Bank / Temporary Funding Note	3.5%	12-29-2016	12-31-2017	<u>6,000,000</u>
Total Debt Outstanding:				<u>\$ 210,044,157</u>

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<sup>(1)</sup> On February 21, 1990, the CCMUA issued \$115,830,387 County Agreement Sewer Revenue Capital Appreciation Bonds, 1990 A Series and \$121,677,019 County Agreement Sewer Revenue Capital Appreciation Bonds, 1990 B Series. A majority of the proceeds were utilized to: refund or pay a portion of the principal of and interest on the 1987 Sewer Revenue Bonds and the New Jersey Environmental Infrastructure Trust Program Fund Loan Bonds; permanently finance certain projects through the redemption in whole of the \$109,000,000 1987 Bond Anticipation Notes; make a deposit in the Debt Service Reserve Fund; and pay the expenses incurred in connection with the issuance of the 1990 B Bonds, including the payment of a municipal bond insurance premium.

As security for the CCMUA's payment obligations on the 1990 A Bonds and the 1990 B Bonds, the bond resolution creates a senior lien on and grants a security interest in the gross revenue of the CCMUA, investment earnings and other cash receipts. Interest on the 1990 A Bonds and the 1990 B Bonds will not be paid semiannually, but only upon maturity or earlier acceleration (capital appreciation bonds). Such interest accrues from the date of issuance and compounds semiannually.

The amounts outstanding reflect carrying values as of December 31, 2016.

Source: CCMUA

### ***The Camden County Improvement Authority***

The Camden County Improvement Authority ("CCIA") is a public body corporate and politic of the State and was created by a resolution of the Board, adopted on March 20, 1979. The CCIA operates under the supervision of five members who are appointed by the Board for five-year staggered terms. The following table identifies those CCIA transactions in which the payment of debt service is secured either by payments pursuant to a County lease or loan agreement and/or a County guaranty. The CCIA has undertaken other bond issues; however, repayment of the debt in those transactions is secured by sources other than the County.

The CCIA has never failed to make timely payment of the principal of and/or interest on any of the bonds, notes or obligations described below.

The County has never failed to make timely payment of any payment obligations due pursuant to an agreement with the CCIA and pledged by the CCIA as security for CCIA bonds. **The County has never been required to make a payment pursuant to its guaranty of CCIA bonds or notes.**

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**CCIA'S DEBT UNDER A LEASE OR LOAN AGREEMENT WITH  
THE COUNTY OR GUARANTEED BY THE COUNTY**

*(as of September 15, 2017) (Unaudited)*

<u>Purpose</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
Outstanding Debt:				
County Guaranteed Revenue Bonds (County Capital Program), Series 2007	3.50-5.00%	12-21-07	12-01-17	\$685,000
General Obligation Revenue Bonds (Camden County College Project), Series 2008	4.125-4.40%	06-30-08	03-01-18	425,000
County Guaranteed Loan Revenue Bonds (County Capital Program), Series 2008	3.80-5.50%	12-17-08	01-15-19	3,710,000
County Guaranteed Loan Revenue Bonds (County Capital Program), 2009 Series A (Federally Taxable – Issuer Subsidy- Build America Bonds)	3.88-6.18%	12-02-09	01-15-27	14,850,000
General Obligation Revenue Bonds (Camden County College Project), Series 2010A-2 (Federally Taxable – Issuer Subsidy- Build America Bonds)	3.391-5.767%	12-16-10	02-15-23	4,135,000
General Obligation Revenue Bonds (Camden County College Project), Series 2010A-3 (Federally Taxable – Issuer Subsidy- Recovery Zone Economic Development Bonds)	6.782-7.082%	12-16-10	02-15-40	17,090,000
County-Guaranteed Loan Revenue Bonds, Series 2010 (Federally Taxable - Recovery Zone Economic Development Bonds)	3.89-6.28%	12-29-10	02-15-25	10,780,000
County Guaranteed Lease Revenue Refunding Bonds, Series A of 2011 <sup>(1)</sup>	3.00-4.00%	09-28-11	09-01-21	2,735,000
County Guaranteed Loan Revenue Bonds (County Capital Program), Series 2011	2.375-5.00%	12-23-11	01-15-26	19,775,000
County-Guaranteed Open Space Trust Fund Revenue Refunding Bonds, Series 2012	2.00-5.00%	05-17-12	06-01-23	9,330,000
County Guaranteed Lease Revenue Bonds (Camden County Technical Schools Energy Savings Improvement Program), Series 2012 <sup>(2)</sup>	2.00-4.00%	08-15-12	08-15-27	5,750,000
County Guaranteed Lease Revenue Refunding Bonds, Series A of 2012	3.00-5.00%	10-11-12	09-01-22	10,635,000
County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2012	2.50-4.00%	11-13-12	01-15-28	5,485,000
County Guaranteed Taxable Loan Revenue Bonds (Clementon Redevelopment Project), Series B of 2012	1.25-2.60%	11-13-12	01-15-19	840,000
County-Guaranteed Open Space Trust Fund Revenue Bonds, Series A of 2012	2.25-4.00%	11-20-12	06-01-27	\$5,260,000

<u>Purpose</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
General Obligation Revenue Bonds (Camden County College Project), Series 2013	2.00-4.00%	04-23-13	02-15-33	10,920,000
County Guaranteed Loan Revenue Bonds (County Capital Program) Series 2013	3.00-5.00%	12-12-13	01-15-29	35,485,000
County Guaranteed Loan Revenue Bonds (Crossroads Redevelopment Project) Series 2014 (Taxable)	1.258-4.942%	07-15-14	07-15-37	20,800,000
County Guaranteed Lease Revenue Refunding Bonds, Series A of 2014 <sup>(3)</sup>	3.00-4.00%	10-10-14	12-15-25	17,375,000
County Guaranteed Loan Revenue Bonds (County Capital Program) Series 2014	3.00-5.00%	12-18-14	01-15-31	13,255,000
County Guaranteed Revenue Bond (The Battleship New Jersey Project) Series 2015 <sup>(2)</sup>	2.87%	06-15-15	12-01-25	1,360,000
County Guaranteed Lease Revenue Refunding Bonds (County Capital Program), Series 2015	3.00-5.00%	06-18-15	09-01-27	11,860,000
County Guaranteed Lease Revenue Refunding Bonds (County College Project), Series 2015	3.00-5.00%	06-18-15	01-15-26	13,340,000
County Guaranteed Revenue Bonds (Camden Stadium Project), Series 2015 <sup>(2)</sup>	4.34%	08-07-15	07-15-35	4,850,000
County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2015	5.00%	12-23-15	01-15-40	38,370,000
County Guaranteed Loan Revenue Refunding Bonds, Series B of 2015	2.00-5.00%	12-23-15	01-15-21	10,950,000
County Guaranteed Lease Revenue Refunding Bonds, Series 2016	2.00-5.00%	06-09-16	01-15-27	23,335,000
County Guaranteed Lease Revenue, Series 2016	2.00-5.00%	11-17-16	01-15-32	59,235,000
Total Debt Outstanding:				<b><u>\$372,620,000</u></b>

<sup>(1)</sup> On November 9, 2011, the County sold to the Camden County College (“County College”) the Regional Emergency Training Center located on approximately 40 acres of land in Gloucester Township which was financed and/or refinanced, in part, with the proceeds of the CCIA’s Bonds and the County assigned to the County College its outstanding Lease Payment obligations relating thereto pursuant to the terms of an Assignment and Assumption of Lease Agreement (Limited).

<sup>(2)</sup> Paid by sources other than the County but for which the County has provided a guaranty for the payment of principal of and interest, when due.

<sup>(3)</sup> \$4,691,000 of the County Guaranteed Lease Revenue Refunding Bonds, Series A of 2014 is paid by the Borough of Audubon (\$4,259,000) and the Borough of Mount Ephraim (\$423,000).

Source: The CCIA and the County.

In addition to the CCIA bond transactions listed in the table above, on October 21, 2004, the County entered into an Intergovernmental Reimbursement Agreement (“Reimbursement Agreement”), by and between the County and the CCIA, pursuant to the terms of which the County agreed to satisfy in

their entirety the obligations of the CCIA to repay the principal of and interest on a loan in the original aggregate principal amount of \$1,000,000 advanced by the Delaware River Port Authority (“DRPA”) to the CCIA in 2006, in connection with a portion of the financing necessary to construct a boathouse facility (including, without limitation, a launching dock and a viewing gallery) located on the banks of the Cooper River along North Park Drive in the Township of Pennsauken. The repayment of the loan commences 39 months after the funds were released by the DRPA, payable in quarterly installments of \$15,197.04 over 23 years. Interest accrues at 2% beginning three years after the release of funds by the DRPA. Pursuant to the terms of the Reimbursement Agreement, the obligations of the County thereunder are subject to appropriation, by the Board, of the principal of and interest on the amounts due thereunder for such respective fiscal year, during the term of such Reimbursement Agreement.

### ***Pollution Control Financing Authority of Camden County***

Pursuant to the New Jersey Pollution Control Financing Law, constituting Chapter 376 of the Pamphlet Laws of 1973 of the State of New Jersey (N.J.S.A. 40:37C-1 et seq.), as amended and supplemented (“Pollution Control Law”), and the Solid Waste Management Act, constituting Chapter 39 of the Pamphlet Laws of 1970 of the State of New Jersey (N.J.S.A. 13:1E-1 et seq.), as amended and supplemented (“Solid Waste Management Act”), the State Legislature initiated a comprehensive statutory mechanism for the management of solid waste disposal in the State. Subsequently, as a result of certain rulings, the management of solid waste disposal within the State changed. See “The Atlantic Coast Decision of the United States Court of Appeals for the Third Circuit” below.

Acting pursuant to the Pollution Control Law, the Board established the Pollution Control Financing Authority of Camden County (“PCFA”) which implemented a County-wide solid waste disposal and resource recovery system, consisting of two primary components.

The first component is a 1,050 ton-per-day mass burn, waste-to-energy, facility, located in Camden City (“Resource Recovery Facility”). The Resource Recovery Facility was constructed and is owned and operated by Camden County Energy Recovery Associates, L.P. (“Partnership”), a New Jersey limited partnership. Prior to August 19, 2013, the general partner of the Partnership was a second-tier wholly-owned subsidiary of Foster Wheeler Ltd. On August 19, 2013, the prior general partner sold its partnership interest in the Partnership to a subsidiary of Covanta Energy Corporation.

Two solid waste franchises were granted by the New Jersey Department of Environmental Protection (“NJDEP”), which franchises, when granted, collectively required the disposal and processing of the municipal solid waste generated in each municipality within the County to occur at the Resource Recovery Facility and the Landfill (as hereinafter defined). The disposal and processing of the solid waste generates electrical energy, which is sold by the Partnership to an electric utility pursuant to a power purchase agreement. The second component is the Pennsauken Sanitary Landfill (“Landfill”) where disposal of bypass waste and residue from the operation of the Resource Recovery Facility and disposal of construction and demolition waste take place.

### ***The Financing of the Solid Waste Management System of the County***

In order to finance the infrastructure required to implement the County’s solid waste management system, including the construction of the Resource Recovery Facility, several series of bonds were previously issued by the PCFA, all of which have been fully amortized or paid. Accordingly, there are no remaining outstanding debt obligations of the PCFA related to the implementation of the County’s solid waste management system.

Notwithstanding the foregoing, the PCFA has specific ongoing reimbursement obligations pursuant to and in accordance with that certain Emergent Funding and Reimbursement Agreement, dated November 29, 2010, between the PCFA and the State, acting by and through the NJDEP (“Reimbursement Agreement”).

Pursuant to the Reimbursement Agreement, the PCFA was permitted to utilize certain unrestricted and restricted funds of the PCFA, and the State agreed to appropriate and provide certain monies to the PCFA, in an amount sufficient to pay the final principal payment and interest due on the PCFA's then-outstanding solid waste resource recovery revenue bonds ("Remaining Bond Payment"). Specifically, pursuant to the Reimbursement Agreement: (i) the PCFA utilized \$1,550,305.55 of available funds in its bond indenture accounts; (ii) the PCFA utilized \$3,449,694.45 of its unrestricted funds; (iii) the State provided \$2,100,000 in funds to the PCFA from funds made available pursuant to an appropriation in the Fiscal Year 2011 Appropriations Act; and (iv) pursuant to an administrative consent order executed by the Commissioner of the NJDEP, dated November 29, 2010, the PCFA was permitted to utilize \$10,106,062.50 from its Statutory Escrow Accounts ("Statutory Accounts") and \$8,000,000 from its Board of Public Utilities Closure Account ("BPU Closure Account" and together with the Statutory Accounts, the "Restricted PCFA Funds"), for the purpose of making the Remaining Bond Payment.

As a condition to the utilization of the Restricted PCFA Funds, the terms and provisions of the Reimbursement Agreement require the PCFA to provide annual reimbursement to the Restricted PCFA Funds of the amounts previously withdrawn, together with accrued interest thereon ("Total Reimbursement Amount"), in whole or in part, as applicable, by depositing certain available funds of the PCFA (including certain appropriations made by the State, if available) back into the PCFA Restricted Funds over a term of years ("NJDEP Reimbursement"). Specifically, the PCFA is required to include in its annual budget, beginning with its budget for fiscal year 2011, an amount equal to the "Estimated Net Available Funds" of the PCFA, which includes the estimated funds available for the reimbursement of the Restricted PCFA Funds, calculated as the estimated total annual gross receipts, revenues and proceeds estimated to be received by the PCFA from operations, dispositions or any other source, less all anticipated expenditures for such fiscal year, including, without limitation, all operating costs, payments on indebtedness, general and administrative expenses, and all reserves of the PCFA. On December 31 of such year, the PCFA is required to deposit into the Restricted PCFA Funds the actual amount of funds then available, together with any available appropriations made by the State to the PCFA in such year, for purposes of paying all or a portion of the Total Reimbursement Amount. Any amounts due and owing relative the Total Reimbursement Amount shall be carried over into the subsequent year until such time as the Total Reimbursement Amount is paid in full (anticipated within five (5) years from 2011).

### ***The Atlantic Coast Decision of the United States Court of Appeals for the Third Circuit***

On May 1, 1997, in Atlantic Coast Demolition & Recycling, Inc. v. Board of Chosen Freeholders of Atlantic County, 112 F.3d. 652 (3d Cir. 1997), the United States Court of Appeals for the Third Circuit held that New Jersey's solid waste management system unconstitutionally discriminates against out-of-state operators of waste disposal facilities and, therefore, violates the Commerce Clause of the United States Constitution. Certain parties in the Atlantic Coast litigation filed a petition for writ of certiorari with the United States Supreme Court seeking a review of the decision of the Third Circuit. On November 10, 1997, the United States Supreme Court denied the petition for writ of certiorari.

Based upon the Atlantic Coast decision, the method used to select and operate the Resource Recovery Facility and the Landfill as the facilities designated for the disposal of all of the solid waste generated by each municipality within the County appeared to unconstitutionally restrict interstate commerce.

On January 29, 1996, following an interim ruling in the Atlantic Coast case which invalidated regulatory flow control for certain construction and demolition waste ("C&D Waste"), the PCFA reduced tipping fees for C&D Waste delivered to the Landfill to a reduced market rate. On November 17, 1997, following the denial of certiorari by the United States Supreme Court in the Atlantic Coast case, the Partnership unilaterally reduced system tipping fees being collected by the Partnership at the Resource Recovery Facility to a level less than that imposed by the PCFA. This was a response by the Partnership to price competition and the resulting decrease in the volume of solid waste being delivered for processing at the Resource Recovery Facility. Since that time, tipping fees at the Resource Recovery

Facility have been reduced and/or increased to a market competitive rate in an effort to maximize operating revenues.

### ***The Response of the County to the Atlantic Coast Decision***

In an attempt to address, among other things, the structure of the County's solid waste management plan in the aftermath of the Atlantic Coast decision, on September 18, 1997, the Board adopted a resolution authorizing an amendment to the solid waste management plan of the County. The plan amendment is entitled "A Strategy for the Disposal of Solid Waste Generated Within the Camden County Solid Waste Management District and for the Satisfaction of Solid Waste Disposal Related Debt Obligations After the Implementation of the Atlantic Coast Court Decision" ("September 1997 Solid Waste Management Plan Amendment"). The September 1997 Solid Waste Management Plan Amendment directed that the PCFA procure disposal capacity using methods that comply with the laws governing public contracts and in a manner that does not discriminate against interstate commerce. Further, the PCFA was directed to continue to aggregate its disposal and administrative costs and impose a unified tipping fee on all waste collected for disposal within the County.

On November 14, 1997, the Commissioner of the NJDEP issued a certification with respect to the September 1997 Solid Waste Management Plan Amendment of the County ("NJDEP Certification"). The NJDEP granted approval with regard to that aspect of the September 1997 Solid Waste Management Plan Amendment governing the procurement of disposal capacity using methods that comply with the laws governing public contracts and in a manner that does not discriminate against interstate commerce. However, since the procurement process had not yet been completed, such NJDEP approval of this aspect of the September 1997 Solid Waste Management Plan Amendment was made contingent upon receipt by the NJDEP of a subsequent amendment or administrative action that documents the awarding of a nondiscriminatory bid contract(s).

Finally, the NJDEP determined to be unenforceable the establishment by the September 1997 Solid Waste Management Plan Amendment of flow control during the interim period between judicial abrogation of the then current disposal contracts and the completion of the procurement of new disposal capacity in a manner that does not discriminate against interstate commerce. The NJDEP has concluded that the lifting by the Third Circuit of the District Court's stay of the injunction against the enforcement of flow control precludes even this interim control of flow as anticipated by the September 1997 Solid Waste Management Plan Amendment.

For the purpose of responding to the remaining issues cited by the NJDEP Certification, on December 29, 1997, the Board adopted a resolution authorizing a further amendment to the solid waste management plan of the County. The plan amendment is entitled "A Modified Strategy for the Disposal of Solid Waste Generated within the Camden County Solid Waste Management District, Following the November 10, 1997 Implementation of the Atlantic Coast decision, and Following the New Jersey Department of Environmental Protection's Acceptance in Part, Rejection in Part and Remand in Part of Camden County Plan Amendment 81-9-97 Adopted September 18, 1997" ("December 1997 Solid Waste Management Plan Amendment"). In compliance with the NJDEP Certification, the December 1997 Solid Waste Management Plan Amendment deleted from the solid waste management plan of the County the establishment of flow control during the interim period between judicial abrogation of the disposal contracts and the completion of procurement of new disposal capacity in a manner that does not discriminate against interstate commerce.

The December 1997 Solid Waste Management Plan Amendment was submitted to the NJDEP for consideration of approval. On June 29, 1998, the Commissioner of the NJDEP issued a certification with respect to the December 1997 Solid Waste Management Plan Amendment. The NJDEP, among other things, (i) approved the deletion of the reference to the retention of regulatory flow control during the interim period prior to completion of nondiscriminatory procurement, and (ii) approved the inclusion of a strategy to complete a nondiscriminatory procurement process and to thereby regulate the flow of waste

as a market regulator (although the NJDEP stressed that separate approval of the actual results of such reprocurement will be required).

On December 5, 1997, the PCFA opened bids and proposals submitted with respect to the reprocurement by the PCFA of solid waste disposal services. For a period of time thereafter, the bids and proposals, as well as supplements thereto solicited by the PCFA during 2000, were considered by the PCFA and its professional advisors. During a portion of such period, the PCFA engaged in substantive negotiations with the Partnership, as one of the responding proposers, for the purpose of attempting to agree upon the final terms and conditions of a long-term solid waste services disposal agreement. Upon the completion of such process, the contract for the reprocurement of solid waste disposal services was awarded by the PCFA to the Partnership. Such contract between the PCFA and the Partnership (the "Reprocurement Agreement") was signed on July 25, 2001, and on such date such Reprocurement Agreement was submitted by the PCFA to the State for approval, in satisfaction of applicable statutory requirements. In response to the submission to the State by the PCFA, the State submitted questions to the PCFA via interrogatories. The PCFA responded to the interrogatories of the State on November 5, 2001 and has not received further communication from the State with regard to the Reprocurement Agreement. The period during which the State may approve or reject the Reprocurement Agreement has lapsed. The obligations of the PCFA and the Partnership pursuant to the terms of the Reprocurement Agreement were subject to the satisfaction of certain conditions precedent identified in the Reprocurement Agreement. Such conditions precedent were not satisfied by the specified date and, therefore, the Reprocurement Agreement has automatically terminated. No further reprocurement agreements were executed. The 1985 Service Agreement between the PCFA and the Partnership expired on July 1, 2011.

#### ***Proposed Dissolution of the PCFA***

The County has preliminarily determined that the best interests of the residents of the County would be served by the dissolution of the PCFA to be accomplished pursuant to the requirements of the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1, et seq., as amended and supplemented ("Local Authorities Fiscal Control Law"), including N.J.S.A. 40A:5A-20. The County has also preliminarily determined that the dissolution of the PCFA could result in savings to the County by reducing overall costs by combining operations and providing services in a more efficient manner.

In connection with the proposed dissolution, the County, the PCFA and the CCIA have collectively preliminarily determined that it would be in the best interests of the residents of the County for the CCIA to: (i) upon dissolution, on a going-forward basis, assume the responsibility and otherwise provide for the payment of all creditors or obligees of the PCFA, (ii) assume ownership of the Landfill, and (iii) provide all of those services previously provided by the PCFA. On April 14, 2011, the Commissioners of the CCIA adopted a resolution preliminarily authorizing the CCIA, upon dissolution, on a going-forward basis, to assume responsibility and otherwise provide for the payment of all creditors and obligees of PCFA upon dissolution of PCFA and to assume ownership and operation of the Landfill ("CCIA Assumption Resolution").

Finally, the PCFA has preliminarily determined to voluntarily accede to the dissolution and to cooperate with the County and the CCIA in connection with the dissolution and transfer of the Landfill and other assets of the PCFA to CCIA. To that end, the PCFA adopted resolutions on March 22, 2011 and May 24, 2011, preliminarily authorizing the dissolution and the transfer of the PCFA's assets and liabilities to the CCIA.

Pursuant to Section 20 of the Local Authorities Fiscal Control Law, the PCFA may be dissolved by the County, subject to approval of the Local Finance Board. On May 19, 2011, the Board of Chosen Freeholders of the County introduced an ordinance authorizing the dissolution of the PCFA and making certain other determinations in connection therewith (“Dissolution Ordinance”). The Dissolution Ordinance provides, as a condition to dissolution, for the CCIA to provide, upon dissolution, on a going-forward basis, for the payment of all creditors and obligees of the PCFA (including the NJDEP). The CCIA Assumption Resolution provides for the CCIA, upon dissolution, on a going-forward basis, to be responsible for all of the PCFA’s outstanding obligations (including the NJDEP Reimbursement) and for the provision of all the services previously provided by the PCFA, including ownership and operation of the Landfill and to take possession of any and all assets and property (including real property), rights and privileges of the PCFA, including contract rights, permits, claims, defenses, causes of action, and all tangible and intangible interests.

In accordance with the Local Authorities Fiscal Control Law, the County and the CCIA may in the future complete an application to be submitted to the Local Finance Board seeking approval for the final adoption of the Dissolution Ordinance. As of the date hereof, however, no such application has been filed. If an application is made and approved by the Local Finance Board for the final adoption of the Dissolution Ordinance, the County, the PCFA and the CCIA shall undertake and complete all legal and procedural requirements necessary to effectuate the dissolution of the PCFA and the transfer of the PCFA’s assets and liabilities to the CCIA as described above. Additionally, upon determination to proceed with the filing of an application to the Local Finance Board, the PCFA and the CCIA shall undertake and complete all necessary procedural and legal requirements relative to the transfer of the Landfill and related assets to the CCIA upon dissolution of the PCFA.

#### ***Litigation Concerning the Pennsauken Sanitary Landfill***

The PCFA acquired the Pennsauken Sanitary Landfill (“Landfill”) from the Township of Pennsauken (“Pennsauken”) and the Pennsauken Solid Waste Management Authority (“PSWMA”) in December 1991, pursuant to the provisions of the Amended and Restated Operations Transfer Agreement, dated October 11, 1991 (the “AROTA”), among the PCFA, the PSWMA, Pennsauken and the County. Prior to that time, the Landfill was operated by the PSWMA on land owned by Pennsauken. Since acquisition the PCFA has continued to operate the Landfill for disposal of bypass waste, residue from the operation of the Resource Recovery Facility, and the disposal of construction and demolition waste.

There are long-standing claims regarding the remediation of the contamination of the Landfill. The PSWMA executed an Administrative Consent Order (“ACO”) with the New Jersey Department of Environmental Protection in December 1988. The ACO obligated the PSWMA to remediate contamination caused by the Landfill. The PCFA assumed the remediation obligations of the PSWMA pursuant to the AROTA. The PCFA, PSWMA and Pennsauken were plaintiffs in ongoing litigation seeking the recovery of costs associated with remediation necessary pursuant to the ACO. Counterclaims were made against Pennsauken. Pennsauken was represented by counsel for one of its insurance carriers. Trial in this litigation commenced on January 20, 2009. By the end of the second day of trial, all claims in the litigation were settled in principle. The PCFA and some defendants continue to review and execute settlement agreements. Pursuant to the settlement agreements, all defendants have been given releases and indemnification protection by the PCFA and Pennsauken. Settlement documents with Ward Sand and Materials Company and James D. Morrissey, Inc. (the “Ward Sand parties”) (the prior landfill owner and operator) are in the process of being finalized. In the meantime, the Ward Sand parties have satisfied their payment obligations. Pursuant to the ACO, the PCFA is primarily responsible for the liability associated with the contamination at the Landfill either directly as a successor to the PSWMA under the ACO or indirectly through the indemnification provisions of the AROTA. In the event that the litigation settlement proceeds are not sufficient to remediate the contamination at the Landfill, Pennsauken could be potentially responsible pursuant to the indemnification provisions in the various settlement agreements. Additionally, it is possible that the County could be responsible for all or a portion of such liability under the AROTA. To date, \$15,603,370.29 in settlement proceeds have been collected from all of the settling

parties. Recent estimates project that the remediation cost to be approximately this amount or less. They are premised on the designed system accomplishing the remediation as presently designed. Design modifications could be necessary. Additionally, it is presently anticipated that the remediation can accomplish the desired goals in approximately 10-30 years. Contingencies could arise which could impact the design of the remediation system or the length of time in which it must be in operation. Therefore, it is impossible to determine at this time what the exact cost of the PCFA's remediation obligations will be. While it is impossible to estimate the likelihood of such an outcome, any such liability of the PCFA and/or the County could have a material adverse impact upon their respective financial conditions. In the event of a dissolution of the PCFA, any existing or potential liabilities of the PCFA would pass to the CCIA.

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**APPENDIX B**

**Excerpt of Report of Audit of Financial Statements of the County**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Director and  
Members of the County Board of Chosen Freeholders  
County of Camden  
Camden, New Jersey 08102

### **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 Camden, State of New Jersey, as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2016, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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## Opinions

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

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

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

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

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

### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2016, 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.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2017 on our consideration of the County of Camden's, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Camden's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
July 12, 2017

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Director and  
Members of the County Board of Chosen Freeholders  
County of Camden  
Camden, New Jersey 08102

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the County of Camden, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 12, 2017. That report indicated that the County of Camden's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County of Camden's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Camden's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Camden's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County of Camden's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
July 12, 2017

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis  
 As of December 31, 2016 and 2015

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Cash	SA-1	\$ 193,514,987.65	\$ 179,227,468.95
Change Funds	SA-3	1,190.00	1,190.00
Other Grants Receivable	SA-8	4,051,035.31	7,350,712.91
		<u>197,567,212.96</u>	<u>186,579,371.86</u>
Receivables with Full Reserves:			
Revenue Accounts Receivable	SA-6	71,284.79	141,587.83
Due From Bank	SA-1		701.04
Due from Federal and State Grant Fund	SA-9	5,607,258.45	5,892,462.18
		<u>5,678,543.24</u>	<u>6,034,751.05</u>
Total Regular Fund		<u>203,245,756.20</u>	<u>192,614,122.91</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-7	<u>60,370,594.16</u>	<u>60,438,333.94</u>
Total Federal and State Grant Fund		<u>60,370,594.16</u>	<u>60,438,333.94</u>
Total Assets		<u>\$ 263,616,350.36</u>	<u>\$ 253,052,456.85</u>

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis  
 As of December 31, 2016 and 2015

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 SA-10	\$ 34,316,426.85	\$ 28,722,297.66
Reserve for Encumbrances	SA-11	8,611,536.73	10,482,062.62
Reserve for Encumbrances - Other Grants	SA-11	634,195.83	1,806,772.05
Payroll Deductions Payable	SA-12	3,071,239.50	2,813,485.61
Due to Trust - County Open Space	SB-36	8,150,705.21	9,028,805.51
Due to Trust - CCPD	SB-46	35,829,716.61	42,811,382.20
Due to Trust - Other Funds	SB-4	38,863,683.27	33,839,376.77
Due to General Capital	SC-8	3,484,651.50	1,747,087.03
Due to County Library Fund	SA-14	6,444,102.80	4,975,139.14
Due to State of New Jersey:			
Realty Transfer Fees	SA-13	1,392,474.05	1,369,826.55
Reserve for Other Grants:			
Appropriated	SA-16	1,539,672.46	440,598.64
		<u>142,338,404.81</u>	<u>138,036,833.78</u>
Reserve for Receivables		5,678,543.24	6,034,751.05
Fund Balance	A-1	<u>55,228,808.15</u>	<u>48,542,538.08</u>
Total Regular Fund		<u>203,245,756.20</u>	<u>192,614,122.91</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants			
Appropriated	SA-15	47,108,285.60	44,272,233.72
Unappropriated	SA-17	28,936.57	33,060.08
Due To Current Fund	SA-9	5,607,258.45	5,892,462.18
Reserve for Encumbrances	SA-11	7,471,493.19	10,085,957.61
Accrued Salaries		<u>154,620.35</u>	<u>154,620.35</u>
Total Federal and State Grant Fund		<u>60,370,594.16</u>	<u>60,438,333.94</u>
Total Liabilities, Reserves, and Fund Balance		<u>\$ 263,616,350.36</u>	<u>\$ 253,052,456.85</u>

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



**COUNTY OF CAMDEN**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2016 and 2015

Revenue and Other Income Realized	<u>2016</u>	<u>2015</u>
Fund Balance Utilized	\$ 13,965,634.00	\$ 11,247,791.00
Miscellaneous Revenues Anticipated	83,513,045.25	96,717,080.62
Receipts from Current Taxes	302,639,654.00	296,996,717.00
Non-Budget Revenue	4,332,885.85	2,623,432.79
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	12,923,399.02	12,974,029.58
Cancellations -		
Outstanding Checks	54,896.46	37,630.91
Reserve for Other Grants	1,100.00	
Cancellation of Reserves for Federal & State Grants	1,069,429.86	2,104,782.31
Liquidation of Reserve for:		
Due from Federal and State Grant Fund	285,203.73	
Due from Bank	701.04	
	<hr/>	<hr/>
Total Income	418,785,949.21	422,701,464.21
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	108,951,125.00	108,637,152.00
Other Expenses	216,507,991.45	225,883,556.17
Deferred Charges and Statutory Expenditures	28,393,935.54	25,670,000.06
Debt Service	41,345,176.18	41,571,460.74
Capital Improvement Fund	1,900,000.00	
Cancellation of Other Grants Receivable	1,100.00	0.01
Due to Federal & State Grant Funds -		
Cancellation of Federal/State Grants Receivable	992,258.74	2,177,239.44
Creation of Reserve for:		
Due from Federal and State Grant Fund		1,777,583.89
Due from Bank		701.04
Cancellation of General Capital Fund Receivable Previously Realized as Revenue in Current Fund		4,380,308.37
Refund of Prior Year Revenue	42,458.23	1,651.05
	<hr/>	<hr/>
Total Expenditures	398,134,045.14	410,099,652.77
	<hr/>	<hr/>
Excess in Revenue	20,651,904.07	12,601,811.44
	<hr/>	<hr/>
<u>Fund Balance</u>		
Balance Jan. 1	48,542,538.08	47,188,517.64
	<hr/>	<hr/>
Decreased by:	69,194,442.15	59,790,329.08
Utilized as Anticipated Revenue	13,965,634.00	11,247,791.00
	<hr/>	<hr/>
Balance Dec. 31	\$ 55,228,808.15	\$ 48,542,538.08
	<hr/>	<hr/>

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

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S.40A:4-87</u>		
Surplus Anticipated	\$ 13,965,634.00		\$ 13,965,634.00	
Miscellaneous Revenues:				
Local Revenues:				
County Clerk / Register of Deeds	3,377,467.00		4,482,286.41	\$ 1,104,819.41
Surrogate	541,683.00		535,597.75	(6,085.25)
Sheriff	1,200,000.00		2,109,074.70	909,074.70
Interest on Investments and Deposits	263,118.00		216,497.76	(46,620.24)
Public Health Environmental Fees	276,135.00		248,417.00	(27,718.00)
County Adjuster	180,836.00		161,076.24	(19,759.76)
Grant Fringe Benefit Revenue	11,916,519.00		11,287,653.65	(628,865.35)
Parks Department	253,144.00		172,371.55	(80,772.45)
Road Opening Fees	331,059.00		331,059.00	
State Aid:				
State Aid - County College Bonds	2,158,565.00		2,152,033.16	(6,531.84)
City of Camden - Maintenance of City Hall	132,158.00		121,992.00	(10,166.00)
Division of Public Welfare - Title IV-D Program	729,793.00		758,177.12	28,384.12
State Assumption of Social & Welfare Services & Psychiatric Facilities:				
Supplemental Security Income	1,151,635.00		1,612,238.00	460,603.00
<u>Federal and State Grants:</u>				
US Department of Health & Human Services				
Medical Reserve Corps - Capacity Building Award		\$ 15,000.00	15,000.00	
US Department of Homeland Security				
Port Security Grant Program FY 2016 - Sheriff		41,184.51	41,184.51	
US Department of Housing & Urban Development				
Emergency Solutions Grant 16-17		192,421.00	192,421.00	
Home Investment Partnership 16-17		949,445.85	949,445.85	
US Department of Justice				
Body-Worn Camera Policy and Implementation Program 16		236,000.00	236,000.00	
COPS Hiring Program (CHP) 2016		2,913,264.60	2,913,264.60	
Pass thru City of Camden				
Camden County Prosecutor's Office - JAG Program FY 2016		20,000.00	20,000.00	
Executive Office of the President, Office of the National Drug Control Policy				
Joint Camden HIDTA Task Force 16		745,468.00	745,468.00	
NJ Department of Environmental Protection				
Clean Communities Entitlement 16		149,951.03	149,951.03	
County Environmental Health Act CEHA 16 CY		298,744.00	298,744.00	
Recycling Enhancement Act Tax Fund 2015		444,292.00	444,292.00	
NJ Department of Health & Senior Services				
Area Plan 16	8,485.00	279,838.00	288,323.00	
Area Plan 17		3,690,578.00	3,690,578.00	

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S.40A:4-87</u>		
Bioterrorism Preparedness 16-17		\$ 287,456.00	\$ 287,456.00	
Childhood Lead Poisoning Prevention 16-17		75,000.00	75,000.00	
Get Active NJ 16		3,000.00	3,000.00	
Sexually Transmitted Diseases 15-16		10,000.00	10,000.00	
Sexually Transmitted Diseases 16-17		130,319.00	130,319.00	
Special Child Health Services 16-17		305,693.00	305,693.00	
State Health Insurance Program 16 (SHIP)		30,000.00	30,000.00	
Tanning Facility Registration & Inspection Project 15-16		3,840.00	3,840.00	
Tuberculosis Control Grant 15-16		3,500.00	3,500.00	
Tuberculosis Control Grant 16-17		107,603.00	107,603.00	
NJ Department of Human Services				
Child Care Resource & Referral 15-16	\$ 329.18	3,652.24	3,981.42	
Child Care Resource & Referral 16-17		3,456,289.00	3,456,289.00	
Comprehensive Alcohol & Drug Abuse Grant 17		1,499,775.00	1,499,775.00	
Social Services for the Homeless 16	35,500.00		35,500.00	
Social Services for the Homeless 17		1,293,672.00	1,293,672.00	
Special Initiative & Transportation 16-17		511,616.00	511,616.00	
NJ Department of Labor & Workforce Development				
Work First New Jersey WFNJ 15-16		5,266,574.00	5,266,574.00	
Workforce Innovation & Opportunity Act 16-17		3,908,245.00	3,908,245.00	
Workforce Learning Link 16-17		133,000.00	133,000.00	
NJ Department of Law & Public Safety				
Camden County Police Department Body Armor Replacement 16		26,484.35	26,484.35	
Crash Response Investigation 15-16		7,200.00	7,200.00	
Drive Sober or Get Pulled Over 16		5,000.00	5,000.00	
Drunk Driving Enforcement Fund - Police		9,508.07	9,508.07	
Emergency Management Agency Assistance EMAA FY2016	105,000.00		105,000.00	
Family Court Services 16	464,649.00		464,649.00	
FEMA Hazardous Mitigation Grant		880,000.00	880,000.00	
Hazardous Materials Emergency Planning HMEP FY16		64,226.82	64,226.82	
Insurance Fraud Reimbursement Program 15	250,000.00		250,000.00	
Megan's Law & Local Law Enforcement Assistance 16-17		22,635.00	22,635.00	
Prosecutor's Office Body Armor Replacement 16		8,760.46	8,760.46	
Regionalized DWI Enforcement/Sobriety Checkpoint Project Grant		40,000.00	40,000.00	
Sexual Assault Response Team/Nurse Examiner 15-16		107,456.00	107,456.00	
Sheriff's Office Body Armor Replacement 15		13,572.37	13,572.37	
State Facilities Education Act SFEA 16-17		162,000.00	162,000.00	
State/Community Partnership 16	582,363.00		582,363.00	
Traffic Safety Task Force	55,841.00		55,841.00	
Victim Witness Advocacy - DV Advocate 15-16	354,493.00		354,493.00	

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S.40A:4-87</u>		
Homeland Security Grant Program 16		\$ 291,803.07	\$ 291,803.07	
NJ Department of Transportation				
Annual Transportation Program (ATP)		4,897,300.00	4,897,300.00	
FAUS / Capital Transportation 2016	\$ 9,341.95		9,341.95	
Local Bridge Future Needs (LBFN) FY 2016		1,000,000.00	1,000,000.00	
Malaga and Cedarbrook Roadway Safety Improvements		100,000.00	100,000.00	
Bridge Bond Act	12,755.24		12,755.24	
Regional Transportation Enhancement Program - Cooper River Park		600,000.00	600,000.00	
Springdale Road (CR673) Road Improvements, Phase II	445,000.00		445,000.00	
Transportation and Community Development Grant Pogram		100,000.00	100,000.00	
Pass thru Delaware Valley Regional Planning Commission				
Regional GIS Implementation & Coordination 16-17		15,000.00	15,000.00	
Supportive Regional Highway Planning Program 16-17		44,015.00	44,015.00	
Transit Support Program TSP 16-17		41,500.00	41,500.00	
NJ Department of Treasury, Governor's Council on Alcoholism & Drug Abuse				
Municipal Alliance Grant 16		617,801.00	617,801.00	
<u>Other Grants:</u>				
Carol Norcross Memorial Grant		150.00	150.00	
CCCTMA Transportation Demand Reimbursement Program 2016		3,000.00	3,000.00	
CCSO K9 Unit Donation Grant		513.00	513.00	
City and County Property Code Enforcement Program SSA		531,751.00	531,751.00	
Cooper River Dredging Project Grant		500,000.00	500,000.00	
EORA Outdoor Opportunity Grant 16		1,000.00	1,000.00	
Joint Animal Control Group 15	165,816.00		165,816.00	
Park Bench Donation Program		1,100.00	1,100.00	
Public Health Priority Funding 15 PHPF	333,276.00		333,276.00	
Public Health Priority Funding 16 PHPF		333,276.00	333,276.00	
Cooper Health System - Campus Patrol Vehicle	34,700.00		34,700.00	
Micro Accredation Grant - Health Department	10,000.00		10,000.00	
Recycling Tonnage Grant	2,148.71		2,148.71	

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S.40A:4-87</u>		
Other Special Items:				
Register of Deeds Copy Machine Revenue	\$ 37,896.00		\$ 34,747.75	\$ (3,148.25)
Motor Vehicle Fine Fund	3,500,465.00		3,500,465.00	
General Support Claims	430,278.00		213,367.30	(216,910.70)
South Jersey Port PILOT	419,000.00		419,000.00	
Added and Omitted Taxes	987,112.00		987,112.00	
County Clerk / Register of Deeds Increased Revenue	1,555,011.00		1,952,622.00	397,611.00
Prosecutor Relief PILOT Program	895,000.00		895,000.00	
Library Debt Service	335,753.00		335,753.00	
Register of Deeds Increased Realty Fees	326,762.00		633,211.50	306,449.50
Indirect Costs	1,066,159.00		978,233.99	(87,925.01)
Inmate Welfare - Room & Board	250,000.00		250,000.00	
Work Release Revenue				
Reserve to Pay Bonds	3,500,000.00		3,500,000.00	
Bail Forfeiture	250,000.00		250,000.00	
Weights and Measures	68,263.00		3,894.50	(64,368.50)
CCMUA Surplus				
Camden County Tech School - Interlocal	450,000.00		450,000.00	
DYFS Breakfast/Lunch	65,254.00		68,350.90	3,096.90
Hall of Justice Rented Space	45,313.00		39,615.00	(5,698.00)
CCIA Surplus	117,781.00		117,781.00	
Department of Treasury - Build America Bonds	1,000,000.00		1,195,245.52	195,245.52
Maintenance of Open Space	3,200,000.00		3,200,000.00	
Miscellaneous Revenue Anticipated	43,881,857.08	\$ 37,430,473.37	83,513,045.25	2,200,714.80
Amount to be Raised by Taxes	302,639,654.00		302,639,654.00	
Budget Totals	360,487,145.08	37,430,473.37	400,118,333.25	2,200,714.80
Non-budget Revenues			4,332,885.85	4,332,885.85
	<u>\$ 360,487,145.08</u>	<u>\$ 37,430,473.37</u>	<u>\$ 404,451,219.10</u>	<u>\$ 6,533,600.65</u>

(Continued)

**COUNTY OF CAMDEN**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

Analysis of Realized Revenues

Interest on Investments and Deposits:		
Collected by County Treasurer	\$	210,417.39
Revenue Accounts Receivable:		
Surrogate		58.34
Sheriff		6,022.03
		<u>6,022.03</u>
	\$	<u>216,497.76</u>
Vending Machines:		
Revenue Accounts Receivable - Register of Deeds	\$	6,322.15
Other Treasurer Receipts		28,425.60
		<u>28,425.60</u>
	\$	<u>34,747.75</u>
Indirect Costs:		
Collected by County Treasurer	\$	429,471.99
Library Pension Contribution		548,762.00
		<u>548,762.00</u>
	\$	<u>978,233.99</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:		
Administration	\$	749,655.99
Alcohol Abuse		9,768.82
CCIA Marine Terminal Payments		53,081.24
Childcare Conference		2,765.00
Child Support Fees		2,714.00

(Continued)

**COUNTY OF CAMDEN**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

Analysis of Non-Budget Revenues (Cont'd)

Miscellaneous Revenue not Anticipated (Cont'd):

Dental	\$	10,344.92
Department of Corrections		1,185.76
Dockside Pilot		28,673.21
Discoveries		7,629.12
District Office ASM Fuentes Rent		953.28
Division for Children		3,850.00
Fuel Reimbursement		103,145.71
FEMA Reimbursement		74,486.92
Gloucester County Inmates		655,130.16
Health Department - Project Lifesaver		750.00
Health Service Center Auction		55,628.75
Hispanic Affairs		560.00
Inmates SCLS		8,941.00
Inmates HEDS		66,379.00
Insurance		502,242.59
Juvenile Inmate Housing Reimbursement		109,200.00
Legal Settlement Proceeds		375,229.78
Miscellaneous		454,660.45
Payroll Deductions		902.71
Planning Board		104,733.00
Prescription Reimbursement		77,923.71
Probation		7,366.65
Public Health		15,950.00
Public Works		1,963.09
Reach		1,400.69
Senior Cit. Day Care		3,516.77
Senior Services		4,329.00
Social Security Administration for Inmates		84,800.00
State Criminal Alien Assistance Program (SCAAP)		84,345.00
Mental Health Administrator		300.00
Third Party		54,098.20
Vicinage 04 Field Operations		65,161.50
Womans Health Conference		425.00
WTC Rent		548,694.83
		<hr/>
	\$	<u>4,332,885.85</u>

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

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>General Government:</u>						
Board of Chosen Freeholders						
Salary and Wages	\$ 162,001.00	\$ 162,001.00	\$ 162,000.80		\$ 0.20	
Other Expenses	1,930.00	1,930.00	247.98	\$ 35.00	1,647.02	
Office of Shared Services						
Other Expenses	5,400.00	5,400.00	3,444.66		1,955.34	
Department of Personnel						
Salary and Wages	433,849.00	433,849.00	433,127.43		721.57	
Other Expenses	83,803.00	83,803.00	75,146.85	1,617.24	7,038.91	
Internal Audit						
Salary and Wages	198,439.00	209,439.00	208,437.30		1,001.70	
Other Expenses	2,000.00	2,000.00	443.08	36.32	1,520.60	
County Administrator						
Salary and Wages	1,372,242.00	1,302,242.00	1,289,029.96		13,212.04	
Other Expenses	128,384.00	128,384.00	68,238.51	5,397.29	54,748.20	
Constituent Services & Hispanic Affairs						
Salary and Wages	378,349.00	358,349.00	347,807.49		10,541.51	
Other Expenses	75,000.00	75,000.00	52,001.05	21,601.69	1,397.26	
County Counsel						
Salary and Wages	1,389,473.00	1,313,215.00	1,231,516.75		81,698.25	
Other Expenses	851,000.00	851,000.00	589,759.79	130,489.02	130,751.19	
Media Relations						
Other Expenses	16,750.00	16,750.00	724.71		16,025.29	
Clerk of the Board						
Salary and Wages	431,424.00	621,424.00	618,989.37		2,434.63	
Other Expenses	1,250.00	1,250.00	651.49	119.42	479.09	
Public Information						
Salary and Wages	204,640.00	216,640.00	215,464.72		1,175.28	
Other Expenses	530,115.00	530,115.00	458,586.44	70,373.72	1,154.84	
County Adjuster						
Salary and Wages	258,097.00	246,097.00	228,622.69		17,474.31	
Other Expenses	19,350.00	19,350.00	4,287.29	141.71	14,921.00	
County Treasurer						
Salary and Wages	15,000.00	15,000.00			15,000.00	
Other Expenses	201,500.00	201,500.00	55,450.00		146,050.00	
Court House						
Salary and Wages	545,818.00	565,818.00	527,873.81		37,944.19	
Other Expenses	5,663,859.00	6,985,117.00	5,063,564.45	650,249.31	1,271,303.24	
Institutional Building & Maintenance						
Salary and Wages	69,792.00	72,292.00	69,795.40		2,496.60	
Other Expenses	1,150,914.00	1,450,914.00	1,007,305.50	138,929.97	304,678.53	
Special Events						
Salary and Wages	767,534.00	795,034.00	788,002.96		7,031.04	
Other Expenses	1,533,500.00	1,693,500.00	1,513,215.72	168,193.89	12,090.39	

(Continued)



**COUNTY OF CAMDEN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>General Government (Cont'd):</u>						
Graphics						
Salary and Wages	\$ 80,621.00	\$ 95,621.00	\$ 93,648.05		\$ 1,972.95	
Other Expenses	25,000.00	25,000.00	6,932.37	\$ 10,651.63	7,416.00	
Mail Room						
Salary and Wages	211,985.00	223,985.00	220,850.56		3,134.44	
Other Expenses	1,844,700.00	2,344,700.00	1,970,045.44	90,820.48	283,834.08	
Veterans' Service Bureau						
Salary and Wages	343,503.00	363,503.00	352,024.07		11,478.93	
Other Expenses	121,400.00	121,400.00	80,963.79	31,792.88	8,643.33	
Telecommunications						
Salary and Wages	77,933.00	86,433.00	70,097.23		16,335.77	
Other Expenses	1,068,500.00	1,068,500.00	550,249.87	258,388.15	259,861.98	
Sustainability						
Other Expenses	20,450.00	20,450.00			20,450.00	
<b>General Government Total</b>	<b>20,285,505.00</b>	<b>22,707,005.00</b>	<b>18,358,547.58</b>	<b>1,578,837.72</b>	<b>2,769,619.70</b>	
<u>Regulation:</u>						
Board of Elections						
Salary and Wages	615,443.00	650,443.00	630,625.27		19,817.73	
Other Expenses	819,210.00	819,210.00	589,831.30	35,015.68	194,363.02	
Superintendent of Elections						
Salary and Wages	795,312.00	795,312.00	774,081.26		21,230.74	
Other Expenses	386,500.00	386,500.00	220,338.68	58,429.77	107,731.55	
Weights and Measures						
Salary and Wages	151,402.00	226,402.00	157,722.06		68,679.94	
Other Expenses	1,458.00	1,458.00	1,137.02	162.75	158.23	
County Medical Examiner						
Other Expenses	1,042,800.00	1,042,800.00	1,037,342.04	2.00	5,455.96	
Public Safety						
Salary and Wages	11,992,783.00	10,892,783.00	9,695,370.37		1,197,412.63	
Other Expenses	2,252,156.00	2,252,156.00	1,646,061.57	302,162.82	303,931.61	
Youth Center						
Salary and Wages	7,197,399.00	7,197,399.00	6,983,041.62		214,357.38	
Other Expenses	2,049,050.00	2,049,050.00	1,404,209.60	353,918.45	290,921.95	
County Clerk						
Salary and Wages	1,819,992.00	2,079,992.00	2,069,402.97		10,589.03	
Other Expenses	757,367.00	757,367.00	691,545.96	39,041.66	26,779.38	
County Surrogate						
Salary and Wages	985,211.00	985,211.00	941,957.42		43,253.58	
Other Expenses	66,250.00	66,250.00	45,689.14	8,454.34	12,106.52	
Sheriff's Office						
Salary and Wages	14,657,833.00	14,857,833.00	14,718,836.42		138,996.58	
Other Expenses	921,566.00	951,566.00	797,256.98	143,905.20	10,403.82	

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>Regulation (Cont'd):</b>						
Fire Marshall						
Salary and Wages	\$ 138,645.00	\$ 138,645.00	\$ 137,698.48		\$ 946.52	
Other Expenses	59,000.00	59,000.00	12,524.19	\$ 504.43	45,971.38	
Security						
Other Expenses	1,674,917.00	1,744,917.00	1,250,883.40	374,955.01	119,078.59	
Regulation Total	48,384,294.00	47,954,294.00	43,805,555.75	1,316,552.11	2,832,186.14	
<b>Recreational and Environmental Affairs:</b>						
Parks & Recreation						
Salary and Wages	1,972,704.00	1,522,704.00	1,437,024.69		85,679.31	
Other Expenses	2,147,671.00	2,143,671.00	1,395,554.84	497,232.89	250,883.27	
Mosquito Extermination						
Salary and Wages	271,514.00	281,514.00	278,593.94		2,920.06	
Other Expenses	43,850.00	43,850.00	31,317.63	9,209.40	3,322.97	
County Extension Services						
Salary and Wages	91,067.00	91,067.00		91,067.00		
Other Expenses	20,282.00	24,282.00	6,734.75	10,283.65	7,263.60	
Solid Waste Liaison						
Salary and Wages	31,940.00	36,940.00	33,080.63		3,859.37	
Other Expenses	484,500.00	484,500.00	271,731.14	38,478.37	174,290.49	
Recreational and Environmental Affairs Total	5,063,528.00	4,628,528.00	3,454,037.62	646,271.31	528,219.07	
<b>Finance:</b>						
Board of Taxation						
Salary and Wages	384,346.00	384,346.00	369,407.99		14,938.01	
Other Expenses	25,500.00	25,500.00	10,043.54	4,388.28	11,068.18	
Office of Telecommunications and Information Systems						
Salary and Wages	545,903.00	525,903.00	506,774.89		19,128.11	
Other Expenses	935,803.00	935,803.00	640,177.87	90,028.18	205,596.95	
Purchasing Department						
Salary and Wages	335,000.00	358,000.00	352,668.13		5,331.87	
Other Expenses	72,000.00	72,000.00	49,960.72	10,152.06	11,887.22	
Office of Mgmt & Budget						
Salary and Wages	270,000.00	260,000.00	246,001.79		13,998.21	
Other Expenses	3,400.00	3,400.00			3,400.00	
Comptroller's Office						
Salary and Wages	670,000.00	675,000.00	670,036.01		4,963.99	
Other Expenses	733,950.00	993,950.00	588,548.67	350,259.46	55,141.87	
Insurance						
Salary and Wages	199,255.00	204,255.00	198,742.48		5,512.52	
Other Expenses	3,050.00	3,050.00	279.03	270.97	2,500.00	
Group Insurance Plan for Employees - Inside CAP	53,223,729.00	53,223,729.00	35,040,445.70	602,213.35	17,581,069.95	
Group Insurance Plan for Employees - Outside CAP	768,634.00	768,634.00	768,634.00			
Employees Health and Welfare	1,000,000.00	1,000,000.00	853,550.80		146,449.20	
Worker's Compensation	1,000,000.00	1,000,000.00	140.00		999,860.00	
Other Insurance Premiums	7,023,149.00	7,023,149.00	6,509,973.62	15,775.62	497,399.76	
Finance Total	67,193,719.00	67,456,719.00	46,805,385.24	1,073,087.92	19,578,245.84	(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>Health and Welfare:</b>						
Public Health						
Salary and Wages	\$ 1,150,652.00	\$ 1,200,652.00	\$ 1,183,222.50		\$ 17,429.50	
Other Expenses	504,573.00	504,573.00	282,826.93	\$ 66,533.78	155,212.29	
Administration & Finance						
Salary and Wages	574,731.00	524,731.00	482,517.02		42,213.98	
Other Expenses	12,150.00	12,150.00	1,721.53	421.40	10,007.07	
Office on Aging						
Salary and Wages	308,077.00	268,077.00	255,000.61		13,076.39	
Other Expenses	658,742.00	658,742.00	354,506.99	107,862.27	196,372.74	
Commission on Women						
Other Expenses	500.00	500.00			500.00	
Environmental Health Services						
Salary and Wages	1,406,196.00	1,431,196.00	1,372,072.92		59,123.08	
Other Expenses	83,466.00	83,466.00	49,719.88	3,575.03	30,171.09	
Health Service Center -- Contractual	6,000,000.00	6,000,000.00	6,000,000.00			
Maintenance of Patients in State Institutions - Mental Disease	3,975,291.00	3,975,291.00	3,975,291.00			
County Board of Social Services -						
Administration	16,188,702.00	16,188,702.00	16,188,702.00			
Training and Services	1,880,159.00	1,880,159.00	1,880,159.00			
Assistance for Dependent Children	657,432.00	657,432.00	657,432.00			
Supplemental Security Income	1,351,635.00	1,351,635.00	1,351,635.00			
Human Service Grants	1,692,199.00	1,767,199.00	783,351.88	587,464.09	396,383.03	
Hospital Contract Administration	312,120.00	312,120.00	152,089.03	147,910.97	12,120.00	
<b>Health and Welfare Total</b>	<b>36,756,625.00</b>	<b>36,816,625.00</b>	<b>34,970,248.29</b>	<b>913,767.54</b>	<b>932,609.17</b>	
<b>Roads and Bridges:</b>						
Roads and Highways						
Salary and Wages	3,412,789.00	3,412,789.00	3,183,628.65		229,160.35	
Other Expenses	1,936,192.00	2,086,192.00	1,372,319.17	217,117.44	496,755.39	
Engineering Department						
Salary and Wages	502,986.00	577,986.00	490,256.59		87,729.41	
Other Expenses	9,614.00	9,614.00	3,281.14	500.80	5,832.06	
Planning						
Salary and Wages	152,733.00	155,233.00	151,652.81		3,580.19	
Other Expenses	71,670.00	71,670.00	64,539.00		7,131.00	
<b>Roads and Bridges Total</b>	<b>6,085,984.00</b>	<b>6,313,484.00</b>	<b>5,265,677.36</b>	<b>217,618.24</b>	<b>830,188.40</b>	
<b>Correctional and Penal:</b>						
County Jail						
Salary and Wages	31,272,586.00	29,213,086.00	27,987,123.18		1,225,962.82	
Other Expenses	19,463,100.00	19,463,100.00	15,160,425.42	2,097,895.83	2,204,778.75	
<b>Correctional and Penal Total</b>	<b>50,735,686.00</b>	<b>48,676,186.00</b>	<b>43,147,548.60</b>	<b>2,097,895.83</b>	<b>3,430,741.57</b>	

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>Judicial:</u>						
Administration of Superior Court						
Other Expenses	\$ 148,125.00	\$ 148,125.00	\$ 33,754.87	\$ 1,591.13	\$ 112,779.00	
Probation Department						
Other Expenses	1,988,990.00	1,988,990.00	1,806,511.13	86,005.07	96,473.80	
County Prosecutor						
Salary and Wages	23,111,204.00	22,311,204.00	21,556,023.46		755,180.54	
Other Expenses	2,591,434.00	2,991,434.00	1,897,560.89	667,856.31	426,016.80	
Judicial Total	27,839,753.00	27,439,753.00	25,293,850.35	755,452.51	1,390,450.14	
<u>Educational:</u>						
Superintendent of Schools						
Salary and Wages	172,980.00	152,980.00	134,979.58		18,000.42	
Other Expenses	6,733.00	6,733.00	3,345.43	837.19	2,550.38	
Vocational Schools	11,146,033.00	11,146,033.00	11,146,032.96	0.04		
County College	10,488,856.00	10,488,856.00	10,488,856.00			
Reimbursements - County College	200,000.00	200,000.00	121,895.47		78,104.53	
Educational Total	22,014,602.00	21,994,602.00	21,895,109.44	837.23	98,655.33	
<u>Unclassified:</u>						
County Store	4,530.00	4,530.00	1,660.38	319.62	2,550.00	
Matching Funds for Grants	150,000.00	150,000.00			150,000.00	
Animal Shelter	260,000.00	260,000.00	187,291.67		72,708.33	
Salary Adjustments	500,000.00	458,500.00			458,500.00	
Unclassified Total	914,530.00	873,030.00	188,952.05	319.62	683,758.33	
<u>Federal and State Grants:</u>						
US Department of Health & Human Services						
Medical Reserve Corps - Capacity Building Award		15,000.00	15,000.00			
US Department of Homeland Security						
Port Security Grant Program FY 2016 - Sheriff		41,184.51	41,184.51			
US Department of Housing & Urban Development						
Emergency Solutions Grant 16-17		192,421.00	192,421.00			
Home Investment Partnership 16-17		949,445.85	949,445.85			
US Department of Justice						
Body-Worn Camera Policy and Implementation Program 16		236,000.00	236,000.00			
COPS Hiring Program (CHP) 2016		2,913,264.60	2,913,264.60			
Pass thru City of Camden						
Camden County Prosecutor's Office - JAG Program FY 2016		20,000.00	20,000.00			
Executive Office of the President, Office of the National Drug Control Policy						
Joint Camden HIDTA Task Force 16		745,468.00	745,468.00			
NJ Department of Environmental Protection						
Clean Communities Entitlement 16		149,951.03	149,951.03			
County Environmental Health Act CEHA 16 CY		298,744.00	298,744.00			
Recycling Enhancement Act Tax Fund 2015		444,292.00	444,292.00			
NJ Department of Health & Senior Services						

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Area Plan 16	\$ 8,485.00	\$ 288,323.00	\$ 288,323.00			
Area Plan 17		3,690,578.00	3,690,578.00			
Bioterrorism Preparedness 16-17		287,456.00	287,456.00			
Childhood Lead Poisoning Prevention 16-17		75,000.00	75,000.00			
Get Active NJ 16		3,000.00	3,000.00			
Sexually Transmitted Diseases 15-16		10,000.00	10,000.00			
Sexually Transmitted Diseases 16-17		130,319.00	130,319.00			
Special Child Health Services 16-17		305,693.00	305,693.00			
State Health Insurance Program 16 (SHIP)		30,000.00	30,000.00			
Tanning Facility Registration & Inspection Project 15-16		3,840.00	3,840.00			
Tuberculosis Control Grant 15-16		3,500.00	3,500.00			
Tuberculosis Control Grant 16-17		107,603.00	107,603.00			
NJ Department of Human Services						
Child Care Resource & Referral 15-16	329.18	3,981.42	3,981.42			
Child Care Resource & Referral 16-17		3,456,289.00	3,456,289.00			
Comprehensive Alcohol & Drug Abuse Grant 17		1,499,775.00	1,499,775.00			
Social Services for the Homeless 16	35,500.00	35,500.00	35,500.00			
Social Services for the Homeless 17		1,293,672.00	1,293,672.00			
Special Initiative & Transportation 16-17		511,616.00	511,616.00			
NJ Department of Labor & Workforce Development						
Work First New Jersey WFNJ 15-16		5,266,574.00	5,266,574.00			
Workforce Innovation & Opportunity Act 16-17		3,908,245.00	3,908,245.00			
Workforce Learning Link 16-17		133,000.00	133,000.00			
NJ Department of Law & Public Safety						
Camden County Police Department Body Armor Replacement 16		26,484.35	26,484.35			
Crash Response Investigation 15-16		7,200.00	7,200.00			
Drive Sober or Get Pulled Over 16		5,000.00	5,000.00			
Drunk Driving Enforcement Fund - Police		9,508.07	9,508.07			
Emergency Management Agency Assistance EMAA FY2016	105,000.00	105,000.00	105,000.00			
Family Court Services 16	464,649.00	464,649.00	464,649.00			
FEMA Hazardous Mitigation Grant		880,000.00	880,000.00			
Hazardous Materials Emergency Planning HMEP FY16		64,226.82	64,226.82			
Insurance Fraud Reimbursement Program 15	250,000.00	250,000.00	250,000.00			
Megan's Law & Local Law Enforcement Assistance 16-17		22,635.00	22,635.00			
Prosecutor's Office Body Armor Replacement 16		8,760.46	8,760.46			
Regionalized DWI Enforcement/Sobriety Checkpoint Project Grant		40,000.00	40,000.00			
Sexual Assault Response Team/Nurse Examiner 15-16		107,456.00	107,456.00			
Sheriff's Office Body Armor Replacement 15		13,572.37	13,572.37			
State Facilities Education Act SFEA 16-17		162,000.00	162,000.00			
State/Community Partnership 16	582,363.00	582,363.00	582,363.00			
Traffic Safety Task Force	55,841.00	55,841.00	55,841.00			
Victim Witness Advocacy - DV Advocate 15-16	354,493.00	354,493.00	354,493.00			
Homeland Security Grant Program 16		291,803.07	291,803.07			

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
NJ Department of Transportation						
Annual Transportation Program (ATP)		\$ 4,897,300.00	\$ 4,897,300.00			
FAUS / Capital Transportation 2016	\$ 9,341.95	9,341.95	9,341.95			
Local Bridge Future Needs (LBFN) FY 2016		1,000,000.00	1,000,000.00			
Malaga and Cedarbrook Roadway Safety Improvements		100,000.00	100,000.00			
Bridge Bond Act	12,755.24	12,755.24	12,755.24			
Regional Transportation Enhancement Program - Cooper River Park		600,000.00	600,000.00			
Springdale Road (CR673) Road Improvements, Phase II	445,000.00	445,000.00	445,000.00			
Transportation and Community Development Grant Pogram		100,000.00	100,000.00			
Pass thru Delaware Valley Regional Planning Commission						
Regional GIS Implementation & Coordination 16-17		15,000.00	15,000.00			
Supportive Regional Highway Planning Program 16-17		44,015.00	44,015.00			
Transit Support Program TSP 16-17		41,500.00	41,500.00			
NJ Department of Treasury, Governor's Council on Alcoholism & Drug Abuse						
Municipal Alliance Grant 16		617,801.00	617,801.00			
<b>Federal &amp; State Grants Total</b>	<b>2,323,757.37</b>	<b>38,383,440.74</b>	<b>38,383,440.74</b>			
<u>Other Grants:</u>						
Carol Norcross Memorial Grant		150.00	150.00			
CCCTMA Transportation Demand Reimbursement Program 2016		3,000.00	3,000.00			
CCSO K9 Unit Donation Grant		513.00	513.00			
City and County Property Code Enforcement Program SSA		531,751.00	531,751.00			
Cooper River Dredging Project Grant		500,000.00	500,000.00			
EORA Outdoor Opportunty Grant 16		1,000.00	1,000.00			
Joint Animal Control Group 15	165,816.00	165,816.00	165,816.00			
Park Bench Donation Program		1,100.00	1,100.00			
Public Health Priority Funding 15 PHPF	333,276.00	333,276.00	333,276.00			
Public Health Priority Funding 16 PHPF		333,276.00	333,276.00			
Cooper Health System - Campus Patrol Vehicle	34,700.00	34,700.00	34,700.00			
Micro Accredation Grant - Health Department	10,000.00	10,000.00	10,000.00			
Recycling Tonnage Grant	2,148.71	2,148.71	2,148.71			
<b>Other Grants Total</b>	<b>545,940.71</b>	<b>1,916,730.71</b>	<b>1,916,730.71</b>			
<b>Total Operations</b>	<b>288,143,924.08</b>	<b>325,160,397.45</b>	<b>283,485,083.73</b>	<b>\$ 8,600,640.03</b>	<b>\$ 33,074,673.69</b>	
<b>Contingent</b>	<b>298,719.00</b>	<b>298,719.00</b>	<b>80,518.95</b>	<b>10,896.70</b>	<b>207,303.35</b>	
<b>Total Operations Including Contingent</b>	<b>288,442,643.08</b>	<b>325,459,116.45</b>	<b>283,565,602.68</b>	<b>8,611,536.73</b>	<b>33,281,977.04</b>	
<u>Detail:</u>						
Salaries and Wages	112,631,383.00	108,951,125.00	103,854,832.33	91,067.00	5,005,225.67	
Other Expenses	175,811,260.08	216,507,991.45	179,710,770.35	8,520,469.73	28,276,751.37	
<u>Capital Improvements</u>						
Capital Improvement Fund	1,900,000.00	1,900,000.00	1,900,000.00			
	1,900,000.00	1,900,000.00	1,900,000.00			

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>Debt Service:</u>						
Payment on Bond Principal						
Other Bonds	\$ 2,415,000.00	\$ 2,445,000.00	\$ 2,445,000.00			
Interest on Bonds						
Other Bonds	1,041,746.00	1,050,488.00	1,050,487.18			\$ 0.82
Green Trust Loan Program						
Estimated Loan Repayments for Principal and Interest	43,529.00	43,529.00	43,528.24			0.76
Capital Lease Program - CCIA						
Principal & Interest	14,877,664.00	14,838,922.00	14,299,563.94			539,358.06
Capital Loan Program						
Principal	12,595,000.00	12,595,000.00	12,595,000.00			
Interest	11,191,195.00	11,191,195.00	10,911,596.82			279,598.18
<b>Debt Service Total</b>	<b>42,164,134.00</b>	<b>42,164,134.00</b>	<b>41,345,176.18</b>			<b>818,957.82</b>
<u>Deferred Charges and Statutory Expenditures:</u>						
Deferred Charges						
Prior Year Bills	19,815.00	19,815.00	19,382.54			432.46
Statutory Expenditures						
Public Employees Retirement System	7,262,688.00	7,412,688.00	7,358,239.16		\$ 54,448.84	
Social Security System	9,779,760.00	9,779,760.00	9,478,677.69		301,082.31	
Unemployment Compensation	200,000.00	550,000.00			550,000.00	
Detectives Pension Fund	28,542.00	28,542.00	28,542.00			
Sheriff Pension Fund	85,800.00	85,800.00	85,800.00			
Probation Officers Pension	37,748.00	37,748.00	37,748.00			
Police & Firemen's Retirement System - Dept 26	1,984,395.00	1,984,395.00	1,984,395.00			
Police & Firemen's Retirement System - Dept 28 - 29	8,100,786.00	8,164,786.00	8,163,858.03		927.97	
Defined Contribution Retirement Plan	150,000.00					
Fire Marshall Pension	18,714.00	18,714.00	18,714.00			
Disability Insurance	312,120.00	312,120.00	184,129.31		127,990.69	
<b>Deferred Charges and Statutory Expenditures Total</b>	<b>27,980,368.00</b>	<b>28,394,368.00</b>	<b>27,359,485.73</b>		<b>1,034,449.81</b>	<b>432.46</b>
	<b>\$ 360,487,145.08</b>	<b>\$ 397,917,618.45</b>	<b>\$ 354,170,264.59</b>	<b>\$ 8,611,536.73</b>	<b>\$ 34,316,426.85</b>	<b>\$ 819,390.28</b>

(Continued)

**COUNTY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	Appropriations - Budget After <u>Modification</u>	Expended - <u>Paid or Charged</u>
Appropriation by N.J.S.A.40A:4-87	\$ 37,430,473.37	
Budget	<u>360,487,145.08</u>	
	<u>\$ 397,917,618.45</u>	
Reserve for Federal and State Grants--Appropriated		\$ 38,084,495.45
Reserve for Other Grants		2,510,928.55
Payroll Deductions Payable		64,328,790.12
Due Trust Fund:		
County Pension Funds		152,090.00
Health Benefits Self-Insurance Fund		40,000,000.00
Due Capital Fund:		
Capital Improvement Fund		1,900,000.00
Disbursed		<u>207,193,960.47</u>
Total		<u>\$ 354,170,264.59</u>

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



**COUNTY OF CAMDEN**  
**TRUST FUND**  
 Statements of Assets, Liabilities and Reserves--Regulatory Basis  
 As of December 31, 2016 and 2015

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Other Funds:			
Cash	SB-1	\$ 3,635,882.82	\$ 3,268,353.14
Community Development Block Grants Receivable	SB-2	4,638,738.91	4,396,626.55
Community Development Loans Receivable	SB-25	16,863,179.00	17,050,238.00
Due from the Office of the County Clerk	SB-16	3,438.00	4,852.00
Due from the Office of the County Clerk - Homelessness	SB-39	1,839.00	3,969.00
Due from the Office of the Surrogate	SB-22	1,984.00	1,452.00
Due from the Office of the Sheriff	SB-35	4,408.00	3,679.00
Due from Current Fund	SB-4	38,863,683.27	33,839,376.77
Due from Library Fund	SB-5	2,524,130.77	936,135.95
Total Other Funds		<u>66,537,283.77</u>	<u>59,504,682.41</u>
County Open Space Fund:			
Due from Current Fund	SB-36	<u>8,150,705.21</u>	<u>9,028,805.51</u>
Camden County Police Department:			
Due from Current Fund	SB-46	<u>35,829,716.61</u>	<u>42,811,382.20</u>
Total Assets		<u>\$ 110,517,705.59</u>	<u>\$ 111,344,870.12</u>
<u>Liabilities and Reserves</u>			
Other Funds:			
Motor Vehicle Fines Fund	SB-6	\$ 3,268,684.90	\$ 3,500,465.73
Road Opening Fees	SB-7	198,874.77	209,678.40
County Pension Funds	SB-8	145,193.31	139,236.78
Reserve for Encumbrances	SB-9	2,243,197.34	1,000,998.45
Reserves for:			
Road Improvements	B	598,228.15	598,228.15
Moneys Confiscated in Raids by County Prosecutor	SB-10	1,371,350.89	1,404,322.26
Bail Forfeitures	SB-11	387,674.89	532,031.01
Tax Appeal Fees	SB-12	285,837.57	281,397.43
Health Benefits Self-Insurance Fund	SB-13	19,296,455.59	12,857,235.10
General Liability Self-Insurance Fund	SB-14	8,987,844.11	8,887,844.11
Worker's Compensation Fund	SB-15	1,931,012.17	2,000,073.32
County Clerk Fees	SB-16	234,609.52	213,585.09
Community Development Block Grants	SB-17	3,862,526.62	5,325,446.01
Community Development Loans Receivable	SB-26	16,863,179.00	17,050,238.00
Special Law Enforcement	SB-18	1,627,291.93	1,441,172.01
Parks Department - Special Events	SB-19	109,183.93	44,929.26
Fire Marshal Fees	SB-20	171,215.40	168,207.40
Sheriff's Special Trust Fund	SB-21	27,375.56	46,003.70
Surrogate Fees	SB-22	592,144.88	505,234.65
Inmate Welfare Fund - Commissary Account	SB-23	266,783.55	504,901.11
Asset Maintenance	SB-24	4,720.50	4,020.54

(Continued)

**COUNTY OF CAMDEN**  
**TRUST FUND**  
 Statements of Assets, Liabilities and Reserves--Regulatory Basis  
 As of December 31, 2016 and 2015

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Other Funds (Cont'd):			
Weights and Measures	SB-38	\$ 80,641.43	\$ 38,460.70
Prosecutor's Department - Auto Theft	SB-28	53,067.14	51,936.36
Disposal of Forfeited Property - Federal Share -			
Justice Department:			
Corrections Department	B	2,267.20	2,267.20
Sheriff's Department	SB-48	27,315.61	12,020.05
Prosecutor's Department	SB-29	102,034.61	102,034.61
County Environmental Health Act -			
Hazardous Materials	SB-30	127,471.10	93,339.47
Noise	SB-31	49.89	49.89
Water	SB-32	75,267.94	40,858.94
Air	SB-33	42,016.53	22,421.24
Solid Waste	SB-34	26,371.95	25,371.95
Sheriff's Department Trust	SB-35	197,877.35	124,503.07
Homelessness Trust	SB-39	565,865.30	460,863.48
Unemployment	SB-40	29,462.13	344,685.07
Storm Recovery	SB-41	1,553,163.21	203,110.35
Municipal Law Enforcement Trust	SB-42	184,896.93	275,527.93
County Law Enforcement - State	SB-43	4,012.17	4,008.15
County Law Enforcement - Federal	SB-49	4,413.76	270.50
Accumulated Absences	SB-47	987,704.94	987,704.94
<b>Total Other Funds</b>		<b>66,537,283.77</b>	<b>59,504,682.41</b>
County Open Space Fund:			
Reserve for Encumbrances	SB-37	4,369,475.05	4,176,818.65
Reserve for Open Space	SB-27	3,781,230.16	4,851,986.86
<b>Total Open Space Trust Fund</b>		<b>8,150,705.21</b>	<b>9,028,805.51</b>
Camden County Police Department:			
Reserve for Encumbrances	SB-45	2,588,981.21	7,707,622.67
Reserve for Camden County Police Department	SB-44	33,240,735.40	35,103,759.53
<b>Total Camden County Police Department</b>		<b>35,829,716.61</b>	<b>42,811,382.20</b>
<b>Total Liabilities and Reserves</b>		<b>\$ 110,517,705.59</b>	<b>\$ 111,344,870.12</b>

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

**COUNTY OF CAMDEN**  
 TRUST -- COUNTY OPEN SPACE FUND  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Anticipated Budget	Realized	Excess or (Deficit)
Amount to be Raised by Taxes	\$ 7,456,967.51	\$ 7,456,967.51	
Reserve Funds	4,851,986.86	4,851,986.86	
Interest on Deposits	9,534.20	9,390.01	\$ (144.19)
Miscellaneous		2,620.57	2,620.57
	<u>\$ 12,318,488.57</u>	<u>\$ 12,320,964.95</u>	<u>\$ 2,476.38</u>
 <u>Analysis of Realized Revenues</u>			
Current Year Levy		\$ 7,456,967.51	
Reserve Funds		4,851,986.86	
Interest on Deposits		9,390.01	
Refunds		2,620.57	
		<u>\$ 12,320,964.95</u>	

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

**COUNTY OF CAMDEN**  
 TRUST -- COUNTY OPEN SPACE FUND  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Canceled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	
CCIA Lease Payments	\$ 1,370,000.00	\$ 1,370,000.00	\$ 1,370,000.00		
Debt Service					
Payment of Bond Loan Principal	415,000.00	415,000.00	415,000.00		
Interest on Bonds/Loans	525,673.76	525,673.76	525,668.76		\$ 5.00
Development of Lands for Recreation & Conservation:					
Salaries & Wages	171,000.00	171,000.00	143,178.16		27,821.84
Other Expenses	1,000,000.00	3,192,029.00	2,394,785.92	\$ 797,242.31	0.77
Maintenance of Lands for Recreation & Conservation:					
Other Expenses	3,500,000.00	3,200,000.00	3,200,000.00		
Historic Preservation:					
Other Expenses	300,000.00	507,618.00	215,617.55	292,000.00	0.45
Acquisition of Farmland	150,000.00	150,000.00			150,000.00
Acquisition of Lands for Recreation & Conservation	300,000.00	1,783,168.00	82,828.00	1,700,340.00	
Reserve for Future Use	4,586,814.81	1,003,999.81			1,003,999.81
	<u>\$ 12,318,488.57</u>	<u>\$ 12,318,488.57</u>	<u>\$ 8,347,078.39</u>	<u>\$ 2,789,582.31</u>	<u>\$ 1,181,827.87</u>
			CCIA Lease Payments	\$ 1,370,000.00	
			CCIA Debt Service & Interest Payments	940,668.76	
			Open Space Fund - Reimbursement Contribution Current Fund	3,200,000.00	
			Other Open Space Expenditures	2,836,409.63	
				<u>\$ 8,347,078.39</u>	

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

**COUNTY OF CAMDEN**  
 TRUST -- CAMDEN COUNTY POLICE DEPARTMENT  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Anticipated Budget	Realized	Excess or (Deficit)
CCPD Allocation	\$ 64,504,800.00	\$ 64,504,800.00	
Bank Interest - Allocation		24,796.26	\$ 24,796.26
	<u>\$ 64,504,800.00</u>	<u>\$ 64,529,596.26</u>	<u>\$ 24,796.26</u>

Analysis of Realized Revenues

Current Year Allocation	\$ 64,504,800.00
CCPD Portion of Current Fund Bank Interest	<u>24,796.26</u>
	<u>\$ 64,529,596.26</u>

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

**COUNTY OF CAMDEN**  
**TRUST -- CAMDEN COUNTY POLICE DEPARTMENT**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2016**

	Appropriations		Expended		Unexpended Balance
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	
Civilian:					
Salaries & Wages	\$ 3,849,280.00	\$ 3,849,280.00	\$ 1,616,216.12		\$ 2,233,063.88
Sworn:					
Salaries & Wages	41,007,480.00	41,007,480.00	16,355,360.12		24,652,119.88
Other Expenses	19,648,040.00	19,648,040.00	13,331,378.17	\$ 2,318,400.07	3,998,261.76
	<u>\$ 64,504,800.00</u>	<u>\$ 64,504,800.00</u>	<u>\$ 31,302,954.41</u>	<u>\$ 2,318,400.07</u>	<u>\$ 30,883,445.52</u>

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

**COUNTY OF CAMDEN**  
**TRUST -- CAMDEN COUNTY POLICE DEPARTMENT**  
**Statement of 2015 Appropriation Reserves**  
**For the Year Ended December 31, 2016**

	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Unexpended Balance in Reserve</u>
Year Ended 6/30/15:						
Civilian:						
Salaries & Wages		\$ 458,264.21	\$ 458,264.21	\$ 457,656.17		\$ 608.04
Sworn:						
Salaries & Wages		339,957.14	339,957.14	338,967.11		990.03
Other Expenses	\$ 1,381,012.61	933,654.49	2,314,667.10	1,437,524.75		877,142.35
<b>Total Year Ended 6/30/15</b>	<b>1,381,012.61</b>	<b>1,731,875.84</b>	<b>3,112,888.45</b>	<b>2,234,148.03</b>		<b>878,740.42</b>
Year Ended 6/30/16:						
Civilian:						
Salaries & Wages		3,041,506.93	2,941,506.93	2,922,246.58		19,260.35
Sworn:						
Salaries & Wages		28,141,313.59	27,030,313.59	26,598,973.17		431,340.42
Other Expenses	6,326,610.06	1,759,800.52	9,297,410.58	8,452,939.66	\$ 270,581.14	573,889.78
<b>Total Year Ended 6/30/16</b>	<b>6,326,610.06</b>	<b>32,942,621.04</b>	<b>39,269,231.10</b>	<b>37,974,159.41</b>	<b>270,581.14</b>	<b>1,024,490.55</b>
	<b>\$ 7,707,622.67</b>	<b>\$ 34,674,496.88</b>	<b>\$ 42,382,119.55</b>	<b>\$ 40,208,307.44</b>	<b>\$ 270,581.14</b>	<b>\$ 1,903,230.97</b>
				CCPD Salaries & Wages		
				CCPD Other Expenditures		
				<u>\$ 30,317,843.03</u>		
				<u>9,890,464.41</u>		
				<u>\$ 40,208,307.44</u>		
						<u>\$ 1,903,230.97</u>

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

**COUNTY OF CAMDEN**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
 As of December 31, 2016 and 2015

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Deferred Charges to Future Taxation:			
Funded	SC-2	\$ 39,094,956.80	\$ 35,978,014.10
Unfunded	SC-3	35,665,125.00	204,000.00
Due from Trustee--Acquisition Funding Account	SC-4	20,077,898.87	39,917,268.28
Due from Trustee--Other Receivables	C	136,833.01	136,833.01
Due from Current Fund	SC-8	3,484,651.50	1,747,087.03
Green Acres Grant Receivable	C	796,000.00	796,000.00
Amount to be Provided by Lease Payments	SC-12	68,362,030.06	81,212,996.55
Amount to be Provided by Capital Loan Agreement	SC-13	310,725,000.00	268,720,000.00
Grants Receivable	SC-5	4,024,000.00	4,189,857.00
Breathalyzer Charges Receivable	C	64,789.33	64,789.33
Other Accounts Receivable	See Note 17	132,528.23	132,528.23
<b>Total Assets</b>		<b>\$ 482,563,812.80</b>	<b>\$ 433,099,373.53</b>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	SC-6	\$ 38,850,000.00	\$ 35,695,000.00
Loans Payable:			
Green Acres -			
Children's Garden	SC-7	244,956.80	283,014.10
Improvement Authorizations:			
Funded	SC-10	6,239,979.45	6,951,444.44
Unfunded	SC-10	25,727,103.73	204,000.00
Reserve for Encumbrances	SC-11	22,534,285.79	27,229,644.74
Capital Improvement Fund	SC-15	191,380.87	157,755.87
Reserve for Arbitrage Interest	SC-9	88,600.05	88,600.05
Reserve for Other Accounts Receivable	See Note 17	132,528.23	132,528.23
Obligations Under Capital Lease	SC-12	68,362,030.06	81,212,996.55
Obligations Under Capital Loan Agreement	SC-13	310,725,000.00	268,720,000.00
Reserve for Payment of Debt Service	SC-14	5,117,940.55	7,912,373.36
Reserve for Grants Receivable	SC-5	4,024,000.00	4,189,857.00
Reserve for Breathalyzer Charges Receivable	C	64,789.33	64,789.33
Fund Balance	C-1	261,217.94	257,369.86
<b>Total Liabilities, Reserves and Fund Balance</b>		<b>\$ 482,563,812.80</b>	<b>\$ 433,099,373.53</b>

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



**COUNTY OF CAMDEN**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2016

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Balance Dec. 31, 2015	\$ 257,369.86
Increased by:	
Net Premium on Serial Bonds Issued	<u>4,347.58</u>
	261,717.44
Decreased by:	
NJ Department of Treasury - Chapter 12 Share of Premium	<u>499.50</u>
Balance Dec. 31, 2016	<u><u>\$ 261,217.94</u></u>

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

**COUNTY OF CAMDEN**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts--Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
General Fixed Assets:				
Land & Land Improvements	\$ 1.00			\$ 1.00
Buildings	111,928,972.00	\$ 17,989,677.80		129,918,649.80
Equipment & Vehicles	27,051,306.46	4,392,472.89	\$ 1,615,046.25	29,828,733.10
Total General Fixed Assets	<u>\$ 138,980,279.46</u>	<u>\$ 22,382,150.69</u>	<u>\$ 1,615,046.25</u>	<u>\$ 159,747,383.90</u>
Total Investment in General Fixed Assets	<u>\$ 138,980,279.46</u>			<u>\$ 159,747,383.90</u>

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

**COUNTY OF CAMDEN**  
**Notes to Financial Statements**  
**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 Camden, formerly part of Gloucester County, was established in 1844. The County, approximately 222 square miles in area, is in the southwestern part of the State of New Jersey along the east bank of the Delaware River opposite Philadelphia, Pennsylvania. The counties of Burlington, Atlantic and Gloucester border the County on, respectively the northeast, southeast and southwest, with the Delaware River forming the western border of the County.

The County operates under the freeholder form of government. The Board of Chosen Freeholders consists of seven freeholder members elected at-large for three-year terms on a staggered basis. Each year, the board elects one of the Freeholders to serve as Freeholder Director. The Freehold Director appoints Freeholders to be in charge of various committees. The Board, operating through the committee system, is charged with both executive and legislative responsibilities for: (1) formulating policies; (2) developing new programs; (3) appointing members of the various County commissions, authorities and boards; (4) approving the County's operating and capital budgets; and (5) appropriating the funds required from the thirty-seven municipal subdivisions of the County to maintain all County services.

The County Administrator, appointed by the Board, oversees the daily governmental operations. Each major department is headed by an administrator who acts as liaison to the Freeholder overseeing such department's operations. Financial matters are under the supervision of the County's Chief Financial Officer.

**Component Units** - The financial statements of the component units of the County of Camden are not presented in accordance with Governmental Accounting Standards Board Statement 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:

Camden County Library Commission  
 203 Laurel Road  
 Voorhees, New Jersey 08043

Camden County Improvement Authority  
 2220 Voorhees Town Center  
 Voorhees, New Jersey 08043

Camden County Technical Schools  
 343 Berlin Cross Keys Road  
 Sicklerville, NJ 08081

Camden County Municipal Utilities Authority  
 1645 Ferry Avenue  
 Camden, New Jersey 08104

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

**Component Units (Cont'd)** –

Camden County Board of Social Services  
600 Market Street  
Camden, New Jersey 08102

Pollution Control Financing Authority of  
Camden County  
9600 River Road  
Pennsauken, New Jersey 08110

Camden County College  
College Drive  
Blackwood, NJ 08012

Camden County Insurance Commission  
9 Campus Drive, Suite 16  
Parsippany, NJ 07054

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

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

**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.

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

**Budgets and Budgetary Accounting** - The County of Camden must adopt an annual budget in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the County to introduce and approve the annual budget no later than January 26 of each year. At introduction, the County 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 County 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 municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the 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; therefore, unrealized gains or losses on investments have not been recorded.

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

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

The cash management plan adopted by the County of Camden 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.

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

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

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

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

**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 Balance included in the current fund represents amounts available for anticipation as revenue in future years budgets, with certain restrictions.

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the County's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the County's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the County which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

**Property Tax Revenues** - Every municipality in the county is responsible for levying, collecting and remitting county taxes for the County of Camden. Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1 and are due and payable to the County of Camden by February 15, May 15, August 15, and November 15. 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.

**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 and interest payments on outstanding general capital debt are provided on the cash basis.

**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 Fund.

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

Note 2: **CASH AND CASH EQUIVALENTS**

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

As of December 31, 2016, of the County's bank balance of \$203,925,469.08, \$4,656,508.77 was uninsured and uncollateralized.

Note 3: **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 years.

**Comparative Schedule of Tax Rates**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Tax Rate	<u>\$.8159</u>	<u>\$.8082</u>	<u>\$.7840</u>	<u>\$.7646</u>	<u>\$.7055</u>
Open Space Tax Rate	<u>\$.0200</u>	<u>\$.0200</u>	<u>\$.0200</u>	<u>\$.0200</u>	<u>\$.0200</u>

**Assessed Valuation**

2016	\$37,296,017,018
2015	36,820,011,052
2014	37,266,969,933
2013	37,528,970,405
2012	39,824,597,170

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$302,639,654	\$302,639,654	100.00%
2015	296,996,717	296,996,717	100.00%
2014	291,262,738	291,262,738	100.00%
2013	285,555,857	285,555,857	100.00%
2012	280,121,500	280,121,500	100.00%



Note 4: **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.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b><u>Current Fund</u></b>			
2016	\$55,228,808.15	\$16,148,579.00	29.24%
2015	48,542,538.08	13,965,634.00	28.77%
2014	47,188,517.64	11,247,791.00	23.84%
2013	40,035,590.23	11,247,791.00	28.09%
2012	32,257,996.47	8,535,993.00	26.46%

Note 5: **INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 5,607,258.45	\$86,328,756.59
Federal and State Grant Fund		5,607,258.45
Trust Other Funds	74,693,399.88	
Trust Open Space Fund	8,150,705.21	
General Capital Fund	3,484,651.50	
	<u>\$91,936,015.04</u>	<u>\$91,936,015.04</u>

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

**Note 6: PENSION PLANS**

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

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

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

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

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

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

Note 6: **PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. 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.

**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.

Note 6: **PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and 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, 2016 was 12.11% of the County's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability. Based on the most recent PERS measurement date of June 30, 2016, the County's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$7,037,137.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the County's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$6,734,112.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$4,359,368.25.

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

Note 6: **PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The County's contractually required contribution rate for the year ended December 31, 2016 was 26.35% of the County's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the County's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$15,155,538.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the County's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$14,364,550.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$5,883,738.29.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, for the year ended December 31, 2016 was 1.99% of the County's covered payroll. Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2016 is \$1,142,528.00 and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2015 was \$1,343,730.00, which was paid on April 1, 2016.

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

For the year ended December 31, 2016, employee contributions totaled \$167,751.32, and the County's matching contributions were \$86,980.34. There were forfeitures of \$4,518.11 during the year.

Note 6: **PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At December 31, 2016, the County's proportionate share of the PERS net pension liability was \$234,605,105. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the County's proportion was 0.7921263532%, which was an increase of 0.0088457728% from its proportion measured as of June 30, 2015.

At December 31, 2016, the County's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$24,000,810. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the County's contribution to PERS was \$6,734,112, and was paid on April 1, 2016.

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

County's Proportionate Share of Net Pension Liability	\$355,078,044.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>29,817,749.00</u>
	<u>\$384,895,793.00</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the County's proportion was 1.8587984127%, which was an increase of 0.0916168804% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the County, was 1.8587984127%, which was an increase of 0.0916168804% from its proportion, on-behalf of the County, measured as of June 30, 2015.

At December 31, 2016, the County's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$52,584,515. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the County's contribution to PFRS was \$14,364,550, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the County, calculated by the plan as of the June 30, 2016 measurement date is \$3,808,430. This on-behalf expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

Note 6: **PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 4,362,943.00	\$ -	\$ 4,362,943.00	\$ -	\$ 2,327,588.00	\$ 2,327,588.00
Changes of Assumptions	48,597,647.00	49,181,227.00	97,778,874.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	8,945,706.00	24,879,604.00	33,825,310.00	-	-	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	9,041,797.00	57,157,723.00	66,199,520.00	2,677,637.00	6,788,657.00	9,466,294.00
County Contributions Subsequent to the Measurement Date	3,518,569.00	7,577,769.00	11,096,338.00	-	-	-
	<u>\$ 74,466,662.00</u>	<u>\$ 138,796,323.00</u>	<u>\$ 213,262,985.00</u>	<u>\$ 2,677,637.00</u>	<u>\$ 9,116,245.00</u>	<u>\$ 11,793,882.00</u>

\$3,518,569 and \$7,577,769 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the County's year end of December 31, 2016.

Note 6: **PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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



Note 6: **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>
2017	\$ 15,517,772.00	\$ 31,665,816.00	\$ 47,183,588.00
2018	15,517,772.00	31,665,816.00	47,183,588.00
2019	17,727,356.00	37,630,942.00	55,358,298.00
2020	15,009,995.00	19,231,924.00	34,241,919.00
2021	4,497,561.00	1,907,811.00	6,405,372.00
	<u>\$ 68,270,456.00</u>	<u>\$ 122,102,309.00</u>	<u>\$ 190,372,765.00</u>

**Actuarial Assumptions**

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

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

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Note 6: **PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

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

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

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

Note 6: **PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

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

Note 6: **PENSION PLANS (CONT'D)****Sensitivity of County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	<b>PERS</b>		
	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
County's Proportionate Share of the Net Pension Liability	<u>\$287,481,177.00</u>	<u>\$234,605,106.00</u>	<u>\$190,951,327.00</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, 2016, the plans measurement date, for the County and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (4.55%)</b>	<b>Current Discount Rate (5.55%)</b>	<b>1% Increase (6.55%)</b>
County's Proportionate Share of the Net Pension Liability	\$457,847,102.00	\$355,078,044.00	\$271,276,059.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	<u>38,447,800.95</u>	<u>29,817,749.00</u>	<u>22,780,460.74</u>
	<u>\$496,294,902.95</u>	<u>\$384,895,793.00</u>	<u>\$294,056,519.74</u>

**Pension Plan Fiduciary Net Position**

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

Note 6: **PENSION PLANS (CONT'D)****Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Proportion of the Net Pension Liability	0.7921263532%	0.7832805804%	0.7225713611%	0.7487998480%
County's Proportionate Share of the Net Pension Liability	\$234,605,105.00	\$175,830,795.00	\$135,285,121.00	\$143,110,529.00
County's Covered Payroll (Plan Measurement Period)	\$ 53,993,060.00	\$ 53,385,296.00	\$ 49,478,020.00	\$ 51,600,836.00
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	434.51%	329.36%	273.42%	277.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Contractually Required Contribution	\$ 7,037,137.00	\$ 6,734,112.00	\$ 5,956,774.00	\$ 5,642,054.00
County's Contribution in Relation to the Contractually Required Contribution	(7,037,137.00)	(6,734,112.00)	(5,956,774.00)	(5,642,054.00)
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll (Calendar Year)	\$ 58,117,162.00	\$ 54,513,835.00	\$ 52,687,329.00	\$ 49,828,432.00
County's Contributions as a Percentage of its Covered Payroll	12.11%	12.35%	11.31%	11.32%

Note 6: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the County's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Four Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Proportion of the Net Pension Liability	1.8587984127%	1.7671815323%	1.6322006103%	1.2179736907%
County's Proportionate Share of the Net Pension Liability	\$355,078,044.00	\$294,350,842.00	\$205,315,698.00	\$161,918,611.00
State's Proportionate Share of the Net Pension Liability associated with the County	<u>29,817,749.00</u>	<u>25,813,582.00</u>	<u>22,109,050.00</u>	<u>15,092,782.00</u>
Total	<u>\$384,895,793.00</u>	<u>\$320,164,424.00</u>	<u>\$227,424,748.00</u>	<u>\$177,011,393.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 59,609,448.00	\$ 56,040,476.00	\$ 42,404,244.00	\$ 38,441,676.00
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	595.67%	525.25%	484.19%	421.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Contractually Required Contribution	\$ 15,155,538.00	\$ 14,364,550.00	\$ 12,536,428.00	\$ 8,886,065.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(15,155,538.00)</u>	<u>(14,364,550.00)</u>	<u>(12,536,428.00)</u>	<u>(8,886,065.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll (Calendar Year)	\$ 57,507,426.00	\$ 58,581,505.00	\$ 56,342,864.00	\$ 46,593,073.00
County's Contributions as a Percentage of its Covered Payroll	26.35%	24.52%	22.25%	19.07%

Note 6: **PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

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

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

Changes in Benefit Terms - None

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

**Other Pension Plans**

In addition, the County has a pension plan known as "The Detectives', Sheriff Officers' and Probation Officers' Pension Plan" which is not actuarially funded by the County. Accordingly, actuarial valuations are not prepared; however, the County has a direct pension liability extending over the lives of the beneficiaries and their spouses. Employees hired after November 30, 1963 were not eligible to join the plan. The plan balance at December 31, 2016 was \$145,193.31 (Exhibit SB-8) and the related contributions for the year then ended totaled \$152,090.00.

Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive (ERI) Programs. A number of County employees took advantage of these programs. The County, on March 1, 2003, issued refunding bonds in the amount of \$9,525,000.00 to pay the present value of the early retirement incentive program liability for plan 1, to provide an economic saving to the County. On May 1, 2013, the County issued refunding bonds in the amount of \$5,825,000.00 to provide additional savings by early refunding the March 1, 2003 issue.

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**Note 7: COMPENSATED ABSENCES**

County employees are entitled to paid sick leave each year. The various Union contracts and or years of service define the number of sick leave days that can be earned. Accumulated sick leave may be carried forward until retirement. Unused sick benefits may be paid upon retirement. Union contracts define which employees are entitled to receive compensation for unused sick leave and the rate of pay at which they will be paid.

Unused vacation days for the year may be accumulated and carried forward up to a maximum of one year allowed vacation time.

All full time union employees are entitled to time off (Comp-Time) in lieu of receiving pay for overtime worked at the rate of one and one half hours for every hour worked.

Unused Comp-Time may be accumulated and carried forward indefinitely and upon termination or retirement must be paid in full at the employees' current rate of pay.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At year end the balance of the fund was \$987,704.94. It is estimated that at December 31, all accrued time is valued at \$11,567,394.00 which is a net decrease of \$499,578.09 from last year.

**Note 8: DEFERRED COMPENSATION SALARY ACCOUNT**

The County offers its eligible employees two Deferred Compensation Plans in accordance with Internal Revenue Code Section 457, which have been approved by the Division of Local Government Services. The first plan is a contributory plan available to all eligible employees at their option. The second plan is a contributory plan available only to employees who work for Camden County One Stop and are not eligible to join the PERS system. These plans permit the employees to defer a portion of their salaries to future years. The amounts so deferred are not available to the employees until termination, retirement, death or unforeseeable emergency.

The County also offers the employees of Camden County One Stop, a non-contributory Variable Defined Contribution Plan in order to give those employees who cannot belong to the PERS system benefits similar to the other employees. This plan consists of contributions made by the employer on behalf of the employees at the same rate as if they were members of the PERS system. The contributions are not vested until the fifth year of participation.

All deferred compensation plan assets, including those deferred under Section 457, 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 any of these Plans, the balances and activities of the Plans are not reported in the County's financial statements.



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

**Plan Description** – The County Freeholders approved leaving the State Health Benefit Plan effective December 1, 2015 and created the County's defined benefit postemployment healthcare plan, the Camden County Postemployment Benefits Plan (the "County Plan"), which allows employees retiring with twenty-five (25) or more years of service with Camden County and/or affiliated organizations and twenty-five (25) or more years of service credit in a state or locally administered retirement system, and employees retiring on an accidental disability pension, to receive fully paid health and prescription benefits. The County Plan also allows employees retiring at age 62 or older with at least fifteen (15) years of service with Camden County and/or affiliated organizations; or retiring with at least ten (10) years of service with Camden County and/or affiliated organizations and twenty-five (25) or more years of service credit in a state or locally administered retirement system; or retiring on an ordinary disability pension, to receive health and prescription benefits subject to a variety of co-pays based on years of service and respective retirement system.

The County Plan is a single-employer postemployment healthcare plan administered by the County. The benefit provisions of the plans that participate may be established or amended by the respective employer entities; for the County Plan that authority rests with the Board of Chosen Freeholders. The plan does not issue a separate financial report.

**Funding Policy** - The contribution requirement of the County is established by policy of the Board of Chosen Freeholders and reflected in the various union contracts. The Board may amend its policy, subject to contract inclusion, as deemed necessary. The required contribution is based on projected pay-as-you-go financing requirements.

**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. For the years 2014 and through November 2015, the County contributed \$13,830,764.47 and \$14,213,364.50, respectively to the State Health Benefit Plan and contributed \$1,614,693.84 in December 2015 and \$19,813,575.48 in 2016 to the County plan for current premiums. Various factors, as stipulated in employee contracts, dictate whether plan members are required to make contributions to the plan.

**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 \$57,538,257.55 at an unfunded discount rate of 4.0%. As stated above, the County has funded the cost of existing retirees in the amount of \$19,813,575.48, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Annual OPEB Cost** - The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

**Annual OPEB Cost (cont'd)** - The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan:

	<b><u>2016</u></b>	<b><u>2015</u></b>
Annual Required Contribution (ARC)	\$ 57,538,257.55	\$ 4,794,854.80
Interest on the Net OPEB Obligation	127,206.44	-
Adjustment to the ARC	(980,502.99)	-
	<hr/>	<hr/>
Annual OPEB Cost	56,684,961.00	4,794,854.80
Pay-as-You Go Cost (Existing Retirees)	(19,813,575.48)	(1,614,693.84)
	<hr/>	<hr/>
Change in the Net OPEB Obligation	36,871,385.52	3,180,160.96
Net OPEB Obligation, January 1	3,180,160.96	-
	<hr/>	<hr/>
Net OPEB Obligation, December 31	<u>\$ 40,051,546.48</u>	<u>\$ 3,180,160.96</u>
Percentage of Annual OPEB Cost Contributed	35.0%	33.7%

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

	<b><u>2015</u></b>
Actuarial Accrued Liability (AAL)	\$ 697,662,791.86
Actuarial Value of Plan Assets	<hr/> -
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 697,662,791.86</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0%
Covered Payroll (Active Plan Members)	\$ 100,082,114.00
UAAL as a Percentage of Covered Payroll	697.1%

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.

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

**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 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 2006 Combined Healthy Male/Female Mortality Rates with fully generational projection
- *Turnover.* NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* at first eligibility after completing 15 years of service.
- *Full Attribution Period.* service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.0% compounded annually for GASB 45 purposes.
- *Rates of Retirement, Rates of Withdrawal, and Rates of Disability.* The tables used to value the Public Employees' Retirement System of New Jersey - Local liability and the Police and Firemen's Retirement System of New Jersey.
- *Medical Trend.* For pre-Medicare PPO medical benefits, this amount initially is 5.95% and decreases to a 5.0% long-term trend rate after ten years. For post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.95% and decreases to a 5.0% long-term trend rate after ten years. For prescription drug benefits, the initial trend rate is 10.75% decreasing to a 5.0% long-term trend rate after nine years.
- *Medical Cost Aging Factor.* 3.0% grading to 0.0% by 90+ years of age for medical and 4.8% grading to 0.0% by 90+ years of age for prescription.
- *Retiree Contributions.* 4.50% grading to 35.0% for single coverage and 3.43% grading to 35.0% for family coverage of the annual premium coverage is required from eligible retirees.

Note 10: **LEASE OBLIGATIONS**

At December 31, 2016, the County had future minimum rental payments under capital and operating leases as follows:

**Capital leases** - The following is an analysis of the County's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Vehicles	\$306,635.65	\$314,259.61
Equipment	493,827.17	245,651.67

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$572,418.38
2018	172,083.06
2019	29,119.83

Future minimum lease payments under capital lease agreements with the Camden County Improvement Authority (CCIA) for capital improvement programs are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 9,645,462.99
2018	9,064,258.95
2019	9,014,259.83
2020	10,363,004.89
2021	10,352,490.33
2022-26	28,388,937.68
2027-28	1,550,672.35

The minimum lease payments are net of Chapter 12 State Aid proceeds.

Payments under capital leases with the CCIA, net of Chapter 12 State Aid, for the year 2016 were \$24,982,378.11.

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

<u>Year</u>	<u>Amount</u>
2017	\$2,422,643.38
2018	1,975,608.25
2019	1,958,577.02

Payments under operating leases for the year 2016 were \$2,575,147.99.

Note 11: **CAPITAL DEBT****Summary of Debt**

	<b><u>Year 2016</u></b>	<b><u>Year 2015</u></b>	<b><u>Year 2014</u></b>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes Authorized by Another Public Body Guaranteed by the County – Capital Loan Agreement	\$ 39,094,956.80	\$ 35,978,014.10	\$ 39,688,219.63
Bonds Authorized by Another Public Body Guaranteed by the County	310,725,000.00	268,720,000.00	219,850,000.00
	<u>288,955,187.06</u>	<u>354,569,335.55</u>	<u>437,392,650.57</u>
Total Issued	<u>638,775,143.86</u>	<u>659,267,349.65</u>	<u>696,930,870.20</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	35,665,125.00	204,000.00	204,000.00
Total Issued and Authorized but Not Issued	<u>674,440,268.86</u>	<u>659,471,349.65</u>	<u>697,134,870.20</u>
Deductions:			
Accounts Receivable Pledged to pay bonds Funds Temporarily Held to Pay Bonds	114,260.00	114,260.00	114,260.00
Pension Refunding Bonds	5,117,940.55	7,912,373.36	9,857,562.40
College Bonds	4,115,000.00	4,735,000.00	5,305,000.00
Bonds Authorized by Another Public Body Guaranteed by the County	<u>288,955,187.06</u>	<u>354,569,335.55</u>	<u>437,392,650.57</u>
Total Deductions	<u>298,302,387.61</u>	<u>367,330,968.91</u>	<u>452,669,472.97</u>
Net Debt	<u>\$ 376,137,881.25</u>	<u>\$ 292,140,380.74</u>	<u>\$ 244,465,397.23</u>

**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 1.017%.

	<b><u>Gross Debt</u></b>	<b><u>Deductions</u></b>	<b><u>Net Debt</u></b>
General	<u>\$674,440,268.86</u>	<u>\$298,302,387.61</u>	<u>\$376,137,881.25</u>

Net Debt \$376,137,881.25 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$36,978,324,155.00 equals 1.017%.

Note 11: **CAPITAL DEBT (CONT'D)**

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

2% of Equalized Valuation Basis (County)	\$739,566,483.10
Net Debt	<u>376,137,881.25</u>
Remaining Borrowing Power	<u><u>\$363,428,601.85</u></u>

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Year</u>	<u>General Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$2,725,000.00	\$1,094,312.82	\$ 3,819,312.82
2018	2,855,000.00	1,021,780.01	3,876,780.01
2019	3,420,000.00	947,608.76	4,367,608.76
2020	3,850,000.00	861,069.38	4,711,069.38
2021	3,715,000.00	770,626.25	4,485,626.25
2022-26	13,080,000.00	2,618,550.00	15,698,550.00
2027-31	9,205,000.00	728,406.28	9,933,406.28
	<u>\$38,850,000.00</u>	<u>\$8,042,353.50</u>	<u>\$46,892,353.50</u>

**Schedule of Annual Debt Service for Principal and Interest for Children's' Garden Loan**

<u>Year</u>	<u>Children's Garden Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 38,822.24	\$ 4,705.99	\$ 43,528.23
2018	39,602.57	3,925.67	43,528.24
2019	40,398.58	3,129.65	43,528.23
2020	41,210.59	2,317.64	43,528.23
2021	42,038.93	1,489.31	43,528.24
2022	42,883.89	644.35	43,528.24
	<u>\$244,956.80</u>	<u>\$16,212.61</u>	<u>\$261,169.41</u>

Note 11: **CAPITAL DEBT (CONT'D)****Schedule of Annual Debt Service for Principal and Interest for County Capital Loan Agreement**

<u>Year</u>	<u>Capital Loan Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 16,015,000.00	\$ 15,011,257.05	\$31,026,257.05
2018	18,770,000.00	14,800,980.77	33,570,980.77
2019	19,080,000.00	13,442,373.87	32,522,373.87
2020	16,570,000.00	12,194,586.22	28,764,586.22
2021	17,325,000.00	11,406,707.54	28,731,707.54
2022-26	106,685,000.00	42,178,910.77	148,863,910.77
2027-31	69,755,000.00	20,209,841.80	89,964,841.80
2032-36	30,495,000.00	7,990,188.50	38,485,188.50
2037-40	16,030,000.00	1,719,053.40	17,749,053.40
	<u>\$310,725,000.00</u>	<u>\$138,953,899.92</u>	<u>\$449,678,899.92</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 12: **CAPITAL DEBT REFUNDING/PRIOR YEAR DEFEASANCE OF DEBT**

During 2016, the County refunded the following issues:

On May 26, 2016, the County guaranteed Loan Revenue Refunding bonds issued in the amount of \$23,615,000 by the Camden County Improvement Authority with interest rates between 2.00% and 5.00%. The Loan Revenue Refunding bonds were issued to advance refund \$8,595,000 of County outstanding 2007 Lease Revenue bonds and \$16,545,000 of County outstanding 2008 Lease Revenue bonds. Present value savings for both issues combined was \$2,788,846.

Also on June 28, 2016, the County issued refunding bonds in the amount of \$2,600,000 with interest rates between 2.00% and 5.00%. The Refunding bonds were issued to advance refund \$2,415,000 of County outstanding 2008 General Obligation Revenue bonds. Present value savings was \$120,379.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2016, \$85,510,000 of bonds outstanding are considered defeased.

Note 13: **INMATE WELFARE FUND**

The Camden County Prisoners' Welfare Fund accounts for the receipt and disbursement of funds for prisoners' welfare operations of a general nature, including the accounting for inmates' deposits and commissary functions. Each inmate is charged a user fee of \$35 at the time of admission into the facility. Additionally, after the first week of served time, each inmate's account is charged \$5 rent per day. The Welfare Fund accounts for inmates' wages earned by performing various work functions throughout the correctional facility and charges to inmates for medical visits. The inmate's account is credited at \$1.25 per day for work performed.

The latest audit report for the Inmate Welfare Fund, as of December 31, 2008, indicates a balance due and payable to the County of Camden in the amount of \$1,159,053.32. The balance due is comprised of the user fee, as defined in the preceding paragraph, the medical co-pay inmates are charged for medical visits and the salaries of employees assigned to inmate welfare duties.

The County of Camden financial records do not include a receivable to match the Inmate Welfare Fund payable because the County has deemed the receivable as uncollectible. Future payments from the Inmate Welfare Fund will be recorded as revenue when received.

The County realized revenue as follows:

<u>Year</u>	<u>Revenue Realized</u>
2016	\$250,000.00
2015	250,000.00
2014	250,000.00
2013	250,000.00
2012	250,000.00
2011	250,000.00
2010	500,000.00
2009	800,000.00

Note 14: **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 fiscal year end.

The County established a reserve account in 1989, in case a rebate payment was required. At December 31, 2016 the County has a reserve balance of \$88,600.05. The County may need to establish additional reserves to fund any actual rebate liability, should the amount exceed the current reserve at the time a final calculation is performed to determine the actual rebate liability.

The amount of contingent liability for rebate may change as a result of future events. Therefore, any potential rebate liability is only an estimate and is not required to be paid or accrued at December 31, 2016.



Note 15: **RISK MANAGEMENT/JOINT INSURANCE POOLS**

The County is partially self-insured for Medical and Prescription Drug coverages, Property Damage, Automobile/General Liability, Crime and Workers' Compensation, with excess insurance on all coverages. The County and its boards, agencies, authorities and commissions presently purchase insurance or self-insure against risks of damage to persons or property of third parties, workers' compensation claims and claims against public officials through the Camden County Insurance Commission (the "Commission"), established on January 21, 2010, by Board resolution pursuant to N.J.S.A. 40A:10-6. The Commission is governed by three County officials who serve as commissioners and are appointed by the Board. Excess insurance is managed by the New Jersey Counties Excess Joint Insurance Fund, established in March 2010.

The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability	Motor Vehicles
Liability other than Motor Vehicles	Environmental Impairment Liability
Property Damage other than Motor Vehicles	

Through membership in the New Jersey Counties Excess Joint Insurance Fund, the County receives the following ancillary insurance coverage:

Public Officials Liability/Employment Practices Liability	Medical Professional Liability
Crime	Employed Lawyers Liability
Pollution Liability	

Contributions to the Fund, are due and payable annually and are based on actuarial assumptions determined by the Fund's actuary. The County's agreement with the pool provides that the pool will be self-sustaining through member premiums and has the following lines of coverage for each insured event as noted as follows:

<u>Type of Coverage</u>	<u>Self-Insured Deductible Amount</u>	<u>Liability Amount</u>	<u>Insurance Company for Reinsurance</u>	<u>Administrator of Plan</u>
Property Damage	\$100,000	Replacement Value up to \$260,000,000	Zurich American Insurance Co. RSUI	
Automobile and General Liability, Law Enforcement Liability	5,000 Per Occurrence	20,000,000 Per Occurrence	Underwriters at Lloyds STARR Indemnity Company	CompServices, Inc.
Workers' Compensation	5,000 each Accident	Statutory	Wesco Insurance Company Safety Nationals Casualty Company	CompServices, Inc.
Public Official/Employee Liability	250,000 Per Claim	10,000,000 Per Claim <sup>(4)</sup>	Lexington	
Employee Dishonesty	50,000 Per Claim	4,000,000 per Occurrence	Westchester Fire Insurance Co. (ACE)	
Healthcare Professional Liability	5,000 Per Claim	21,000,000	Lexington	
Pollution Legal Liability	25,000 Each Pollution Event	10,000,000 each Pollution Event	Zurich American Insurance Co.	

NOTE: All primary policy aggregate limits are shared by each member entity of the Commission. The excess policy aggregate limit is shared by the Commission and its member entities.

**Note 15: RISK MANAGEMENT/JOINT INSURANCE POOLS (CONT'D)**

The Funds publish financial reports which can be obtained from the County finance office.

The County also maintains the following self-insurance balances:

The balance in the Reserve for Workers' Compensation Insurance Trust Fund was \$1,931,012.17 at December 31, 2016. The County maintains commercial excess coverage for claim amounts.

The balance of the Reserve for General Liability Insurance was \$8,987,844.11 at December 31, 2016. During 2010 the County joined the New Jersey Counties Excess Joint Insurance Fund to cover claims for general liability. The reserve at year end is available to pay claims.

The balance of the Reserve for Health Benefits Trust Fund was \$19,296,455.59 at December 31, 2016.

The management of the County believes that the above reserves are adequate to meet the needs of the County for the coming year and any additional funding required for claims in excess of the trust fund's reserves will be paid and charged to future budgets.

There have been no settlements that exceed the County's coverage for years ended December 31, 2016, 2015, and 2014.

**Note 16: COUNTY GUARANTEES****Authorities of the County**

The County has created three countywide authorities, the Camden County Municipal Utility Authority, the Camden County Improvement Authority and the Pollution Control Financing Authority of Camden County.

The following information applies to each of the Authorities and should be noted: none of the Authorities have the power to levy or collect taxes. The debt issued by any one of the Authorities is neither a debt nor a liability of the State, the County (except to the extent of any deficiency agreement or guarantee), nor any political subdivision of the State, except the respective Authorities.

**Camden County Municipal Utilities Authority**

The Camden County Municipal Utilities Authority ("CCMUA") is a public body politic and corporate of the State of New Jersey and was originally created as the Camden County Sewerage Authority ("Sewerage Authority") by a resolution of the County Board of Chosen Freeholders ("County Board") adopted December 5, 1967. The Sewerage Authority was reorganized in 1972 as a utilities authority and changed its name to the Camden County Municipal Utilities Authority pursuant to a resolution of the County Board adopted April 13, 1972. The CCMUA operates under the supervision of nine commissioners who are appointed by the County Board for five year staggered terms. The County has entered into a Deficiency Agreement with the CCMUA ("Deficiency Agreement") whereby the County is obligated to pay to the CCMUA any annual charges equal to any deficits in CCMUA revenues necessary to pay or provide for (i) operation and maintenance expenses of the CCMUA's regional sewer system, (ii) principal and interest payments on bonds and notes of the CCMUA in an aggregate principal amount not to exceed \$685,500,000 and (iii) the maintenance of reserves required under the Bond Resolution securing the CCMUA's bonds and notes. The obligation of the County, pursuant to the provisions of the Deficiency Agreement, is a direct and general obligation of the County, and any annual charges are ultimately payable by the County to meet its obligations under the Deficiency Agreement. To date, no payments have been required to be made by the County pursuant to the Deficiency Agreement. The County and the CCMUA may agree to amend the Deficiency Agreement at any time to increase the obligation of the County thereunder.

Note 16: **COUNTY GUARANTEES (CONT'D)****Camden County Municipal Utilities Authority (Cont'd)**

The CCMUA owns and operates a sewerage collection and treatment system, which serves all County residents, connected to local sewer collection systems. The CCMUA's system does not include the local sewerage collection system of any CCMUA participant, but it owns and operates interceptor sewer lines connecting the local systems to the CCMUA's sewage treatment facilities.

The CCMUA is required to charge and collect service charges for the use of its facilities such that revenues of the CCMUA will at all times be adequate to pay all operating and maintenance expenses, including reserves, insurance, extensions and replacements, and to pay punctually the principal of and interest on any bonds and notes, and to maintain reserves and sinking funds therefore as may be required by the terms of any agreements with the holders thereof.

The CCMUA's debt at December 31, 2016 was \$210,044,157. The County guarantee is limited to \$685,500,000.

**Camden County Improvement Authority**

The Camden County Improvement Authority ("CCIA") is a public body corporate and politic of the State of New Jersey and was created by a resolution of the County Board of Chosen Freeholders ("the County Board"). The CCIA operates under the supervision of a five member Board who are appointed for five year staggered terms by the County Board. The CCIA has from time to time issued its revenue bonds for projects involving the County and for which the County has a repayment obligation or guaranty.

**CCIA**  
**Outstanding Debt Issued**  
**Under a Lease/Loan Agreement With the County**  
**Or Guaranteed By The County**  
**As of December 31, 2016**

	<u>Purpose</u>	<u>Interest Rate</u>	<u>Date Of Issue</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>	<u>Amount Guaranteed By County</u>
(1)	County Guaranteed Loan Revenue Bonds, Series 2014 (Crossroads)	1.258%- 4.942%	6-24-14	7-15-37	\$21,000,000	\$21,000,000
(2)	County Guaranteed Lease Cooper River Boathouse Project	2.00%	10-21-04	02-2028	611,030	611,030
(3)	County Guaranteed Revenue Bonds Series 2007 (Capital Loan Program)	3.25 - 5.00%	12-17-07	12-1-17	685,000	685,000
(4)	County Guaranteed Revenue Bonds Series 2008 (Capital Loan Program)	4.00 - 4.40%	06-24-08	03-1-18	835,000	835,000
(5)	County Guaranteed Revenue Bonds Series 2008 (Capital Loan Program)	3.00 - 5.50%	12-04-08	01-15-18	5,420,000	5,420,000
(6)	County Guaranteed Revenue Bonds Series 2009 (Capital Loan Program)	2.32 - 6.18%	12-02-09	01-15-27	16,065,000	16,065,000
(7)	County Guaranteed Revenue Bonds Series 2010 (Capital Loan Program)	1.817 - 6.284%	12-29-10	7-17-25	11,955,000	11,955,000

(Continued)

Note 16: **COUNTY GUARANTEES (CONT'D)**

**CCIA**  
**Outstanding Debt Issued**  
**Under a Lease/Loan Agreement With the County**  
**Or Guaranteed By The County**  
**As of December 31, 2016**

	<u>Purpose</u>	<u>Interest Rate</u>	<u>Date Of Issue</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>	<u>Amount Guaranteed By County</u>
(8a)	Camden County College Bonds 2010A-2	3.00-7.08%	11-24-10	2-15-40	\$4,720,000	\$4,720,000
(8b)	Camden County College Bonds 2010A-3	3.00-7.08%	11-24-10	2-15-40	17,090,000	17,090,000
(9)	County Guaranteed Revenue Bonds Series 2011 (Capital Loan Program)	2.00 - 5.00%	01-15-11	1-15-26	21,565,000	21,565,000
(10)	County Guaranteed Revenue Refunding Bonds Series 2011A (Capital Loan Program) (a)	2.00 - 4.00%	09-15-11	9-1-21	2,735,000	2,735,000
(11)	County Guaranteed Lease Revenue Refunding Bonds (Camden County College Parking Project), Series 2011	2.00 - 4.00%	09-15-11	9-1-17	1,010,000	1,010,000
(12)	County Guaranteed Lease Revenue Bonds Series 2012 (CCTS ESIP)	2.00 - 4.00%	08-02-12	08-15-27	6,255,000	6,255,000
(13)	County Guaranteed Revenue Refunding Bonds Series 2012A	2.00 - 5.00%	09-27-12	09-01-22	12,865,000	12,865,000
(14)	County Guaranteed Open Space Trust Fund Revenue Refunding Bonds Series 2012	2.00 - 5.00%	04-18-12	06-01-23	10,740,000	10,740,000
(15)	County Guaranteed Revenue Bonds Series A 2012 (Capital Loan Program)	2.50 - 4.00%	11-05-12	01-15-28	5,485,000	5,485,000
(16)	County Guaranteed Taxable Revenue Bonds (Clementon Redevelopment)	1.00 - 2.60%	11-05-12	01-15-19	1,250,000	1,250,000
(17)	County Guaranteed Open Space Trust Fund Revenue Bonds Series A of 2012	2.00 - 4.00%	11-20-12	06-01-27	5,690,000	5,690,000
(18)	County Guaranteed Revenue Bonds Series 2013 (Camden County College)	2.00 - 4.00%	03-27-13	02-15-33	11,405,000	11,405,000
(19)	County Guaranteed Revenue Bonds Series 2013 (Capital Loan Program)	3.00 - 5.00%	11-26-13	01-15-29	36,920,000	36,920,000
(20)	County Guaranteed Revenue Bonds Series 2014 (Capital Loan Program)	3.00 - 5.00%	12-18-14	01-15-31	13,940,000	13,940,000
(21)	County Guaranteed Revenue Refunding Bonds Series 2014A (Capital Loan Program)	3.00 - 4.00%	10-10-14	12-15-25	17,375,000	17,375,000
(22)	County Guaranteed Lease Revenue Refunding Bonds Series 2015 (Camden County College Project)	3.00 - 5.00%	06-18-15	01-15-26	14,530,000	14,530,000
(23)	County Guaranteed Loan Revenue Refunding Bonds Series 2015A	3.00 - 5.00%	06-18-15	09-01-26	12,790,000	12,790,000

(Continued)

Note 16: COUNTY GUARANTEES (CONT'D)

**CCIA**  
**Outstanding Debt Issued**  
**Under a Lease/Loan Agreement With the County**  
**Or Guaranteed By The County**  
**As of December 31, 2016**

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date Of Issue</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>	<u>Amount Guaranteed By County</u>
(24a) County Guaranteed Revenue Bonds Series 2015A (Capital Loan Program)	3.00 - 5.00%	12-23-15	01-15-40	\$39,240,000	\$39,240,000
(24b) County Guaranteed Revenue Refunding Bonds Series 2015B	2.00 - 5.00%	12-23-15	01-15-21	14,890,000	14,890,000
(25) County Guaranteed Loan Revenue Refunding Bonds Series 2016A	2.00 - 5.00%	06-09-16	01-15-27	23,335,000	23,335,000
(26) County Guaranteed Loan Revenue Bonds Series 2016 (Capital Loan Program)	3.00 - 5.00%	11-17-16	01-15-32	59,235,000	59,235,000
Total Debt Outstanding				<u>\$389,636,030</u>	<u>\$389,636,030</u>

(1) On August 28, 2003, the CCIA issued \$35,000,000 of County Guaranteed Bond Anticipation Notes, Series 2003. The notes, issued for the purpose of financing certain initial costs of the Crossroads Redevelopment Projects to be constructed in the Township of Pennsauken, were renewed for one year on July 17, 2013 in the amount of \$20,315,000. Upon the notes coming due in 2014, permanent financing was issued. On June 26, 2014 loan revenue bonds were issued in the amount of \$21,000,000.

(2) On October 21, 2004, the CCIA signed a promissory note agreement with the Delaware River Port Authority in the amount of \$1,000,000 for the Cooper River Boathouse project. Subsequently, the CCIA and the County entered into an intergovernmental reimbursement agreement for this note as an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) below.

(3) On December 17, 2007, the CCIA issued \$14,340,000 of County Guaranteed Revenue Bonds, Series 2007. This project is an extension of the 1992 County Lease Program ("Lease Revenue Bonds") to finance construction of various improvements ("Improvements") to existing facilities owned by the County and acquisition of various equipment ("Equipment") for use by the County. The CCIA will lease certain land and the existing improvements thereon (collectively, the "Existing Property") from the County pursuant to a Ground Lease between the County and the CCIA, and the CCIA will then lease the Existing Property, together with the Improvements and Equipment, to the County pursuant to a Lease Purchase Agreement between the CCIA and the County. The Lease Revenue Bonds are payable from, among other things, the basic lease payments to be made by the County under the Lease Purchase Agreement. The Lease Revenue Bonds are also secured by the provisions of a County Guaranty pursuant to which the County has unconditionally guaranteed the payment of the principal of and interest on the Lease Revenue Bonds. This loan was partially refunded during 2016.

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**Note 16: COUNTY GUARANTEES (CONT'D)**

(4) On June 24, 2008, the CCIA issued \$6,000,000 of County Guaranteed Revenue Bonds, Series 2008 for capital improvements to Camden County College. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those listed in paragraph three (3) above. This issue was partially refunded during 2016.

(5) On December 4, 2008, the CCIA issued \$32,070,000 of County Guaranteed Revenue Bonds, Series 2008. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above. This issue was partially refunded during 2016.

(6) On December 2, 2009, the CCIA issued \$21,110,000 of County Guaranteed Revenue Bonds, Series A. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above.

(7) On December 29, 2010, the CCIA issued \$17,100,000 of County Guaranteed Loan Revenue Bonds, Series A of 2010. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above.

(8) On November 24, 2010, the CCIA issued \$25,000,000 of County Guaranteed Revenue Bonds. This project is for various improvements to the Camden County College including Phase I and Phase II improvements.

(9) On January 15, 2011, the CCIA issued \$26,565,000 of County Guaranteed Loan Revenue Bonds, Series 2011. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above.

(10) On September 15, 2011, the CCIA issued \$5,905,000 of County Guaranteed Revenue Refunding Bonds, Series 2011A to advance refund the Series 2002A bonds.

(11) On September 15, 2011, the CCIA issued \$5,750,000 of County Guaranteed Lease Revenue Refunding Bonds, Series 2011 to advance refund the Series 2002 College bonds.

(12) On August 8, 2012, the CCIA issued \$7,830,000 of County Guaranteed Lease Revenue Bonds, Series 2012. This project is to finance the costs of acquisition and installation of certain energy savings equipment constituting Energy Conservation Measures as part of the Energy Savings Improvement Program being undertaken by the Camden County Technical School.

(13) On September 27, 2012, the CCIA issued \$18,225,000 of County Guaranteed Revenue Refunding Bonds, Series 2012A to advance refund the Series 2003B bonds and a portion of the Series 2004A bonds.

(14) On April 18, 2012, the CCIA issued \$16,255,000 of County Guaranteed Open Space Trust Fund Revenue Refunding Bonds, Series 2012 to advance refund the Series 2003 Open Space Trust Fund Revenue bonds.

(15) On November 5, 2012, the CCIA issued \$5,485,000 of County Guaranteed Loan Revenue Bonds, Series A of 2012. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above.

(16) On November 5, 2012, the CCIA issued \$2,440,000 of County Guaranteed Taxable Loan Revenue Bonds, Series B of 2012. This issue is to permanently finance the Clementon Redevelopment Project.

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**Note 16: COUNTY GUARANTEES (CONT'D)**

(17) On November 20, 2012, the CCIA issued \$7,265,000 of County Guaranteed Open Space Trust Fund Revenue Bonds, Series A of 2012. This project is for the purpose of financing the acquisition of various parcels of real property or interests therein and any improvements located thereon for the purpose of providing open space, farmland and historical and recreational preservation areas throughout the County.

(18) On March 3, 2014, the CCIA issued \$12,795,000 of County Guaranteed Revenue Bonds. This project is for various improvements to the Camden County College campus.

(19) On November 26, 2013, the CCIA issued \$38,200,000 of County Guaranteed Loan Revenue Bonds, Series A of 2013. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above.

(20) On December 10, 2014, the CCIA issued \$14,605,000 of County Guaranteed Loan Revenue Bonds, Series A of 2014. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above.

(21) On October 10, 2014, the CCIA issued \$18,980,000 of County Guaranteed Lease Revenue Refunding Bonds, Series A of 2014 to advance refund the Series 2005B bonds.

(22) On June 18, 2015, the CCIA issued \$14,655,000 of County Guaranteed Lease Revenue Refunding Bonds, Series 2015 to advance refund the Series 2006 bonds for the Camden County College Project.

(23) On June 18, 2015, the CCIA issued \$12,895,000 of County Guaranteed Lease Revenue Refunding Bonds, Series A of 2015 to advance refund the Series 2006A bonds.

(24) On December 23, 2015, the CCIA issued \$39,240,000 of County Guaranteed Loan Revenue Bonds, Series A of 2015. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above. The CCIA also issued \$17,375,000 of County Guaranteed Loan Revenue Refunding Bonds, Series B of 2015 to currently refund the Series 2005A refunding bonds.

(25) On June 9, 2016, the CCIA issued \$23,615,000 of County Guaranteed Loan Revenue Refunding Bonds, Series A of 2016 to advance refund portions of the Series 2007 and Series 2008 bonds.

(26) On November 17, 2016, the CCIA issued \$59,235,000 of County Guaranteed Loan Revenue Bonds, Series 2016. This project is an extension of the 1992 County Lease Program and the structure and arrangements are essentially the same as those discussed in paragraph three (3) above.

In addition to the above projects, the County has provided a guaranty for the payment of principal and interest on \$1,520,000 of County Guaranteed Revenue Bonds, The Battleship of New Jersey Project, Series 2015 and \$5,000,000 of County Guaranteed Revenue Bonds, Camden Stadium Project, Series 2015. These issues are to be paid by sources other than County, but have a County guaranty.

The CCIA has never failed to make a timely payment of the principal of and/or interest on any of the Bonds described above.

Note 17: **COUNTY RECEIVABLES**

On July 15, 1993, the CCIA issued \$2,140,000.00 Revenue Bonds, Series 1993 C, dated July 1, 1993 (the "1993 C Bonds"). The 1993 C Bonds were issued to provide funds to purchase a general obligation bond of the County of Camden (the "1993 County Bond"), which in turn was issued to provide funds to loan the City of Camden Redevelopment Agency as part of an overall plan to redevelop the City's downtown area. The 1993 C Bonds are payable from payments to be received by the CCIA from the County on the 1993 County Bond.

As stated above, the 1993 C Bonds are payable from payments to be received by the CCIA from the County on the County Bonds. The Loan to the City of Camden Redevelopment Agency was secured by a Note totaling \$114,260.00. The note matured December 2003 and had an interest rate of 7.10%. The accumulated interest on the note as of December 31, 2003 is \$18,268.23.

**Detail of CCRA Loan Receivable**

	<u>Outstanding Principal</u>	<u>Interest Accumulated</u>	<u>Collected</u>	<u>Accumulated Interest Balance</u>	<u>Total Receivable</u>
Loan 4	\$114,260.00	\$81,124.60	\$62,856.37	\$18,268.23	\$132,528.23
	<u>\$114,260.00</u>	<u>\$81,124.60</u>	<u>\$62,856.37</u>	<u>\$18,268.23</u>	<u>\$132,528.23</u>
	(A)			(B)	(C)

(A) The principal sum shall be due and payable as follows:

Loan 4 April 6, 2003 (but only if it succeeds in selling or otherwise disposing of the properties covered by the agreement)

(B) Interest for the first five (5) years of the Loan shall be due on the due date of the principal. Interest on the Loan for the years six (6) through ten (10) shall be due on the annual anniversary date of the loan.

(C) Accounts Receivable shown on Exhibit C.



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**Note 18: CONTINGENT LIABILITIES****Pollution Control Financing Authority of Camden County**

Pursuant to the New Jersey Pollution Control Financing Law, constituting Chapter 376 of the Pamphlet Laws of 1973 of the State of New Jersey (N.J.S.A. 40:37C-1 et seq.), as amended and supplemented ("Pollution Control Law"), and the Solid Waste Management Act, constituting Chapter 39 of the Pamphlet Laws of 1970 of the State of New Jersey (N.J.S.A. 13:1E-1 et seq.), as amended and supplemented ("Solid Waste Management Act"), the State Legislature initiated a comprehensive statutory mechanism for the management of solid waste disposal in the State. Subsequently, as a result of certain rulings, the management of solid waste disposal within the State changed. See "The Atlantic Coast Decision of the United States Court of Appeals for the Third Circuit" below.

Acting pursuant to the Pollution Control Law, the Board established the Pollution Control Financing Authority of Camden County ("PCFA") which implemented a County-wide solid waste disposal and resource recovery system, consisting of two primary components.

The first component is a 1,050 ton-per-day mass burn, waste-to-energy, facility, located in Camden City ("Resource Recovery Facility"). The Resource Recovery Facility was constructed and is owned and operated by Camden County Energy Recovery Associates, L.P. ("Partnership"), a New Jersey limited partnership. Prior to August 19, 2013, the general partner of the Partnership was a second-tier wholly-owned subsidiary of Foster Wheeler Ltd. On August 19, 2013, the prior general partner sold its partnership interest in the Partnership to a subsidiary of Covanta Energy Corporation.

Two solid waste franchises were granted by the New Jersey Department of Environmental Protection ("NJDEP"), which franchises, when granted, collectively required the disposal and processing of the municipal solid waste generated in each municipality within the County to occur at the Resource Recovery Facility and the Landfill (as hereinafter defined). The disposal and processing of the solid waste generates electrical energy, which is sold by the Partnership to an electric utility pursuant to a power purchase agreement. The second component is the Pennsauken Sanitary Landfill ("Landfill") where disposal of bypass waste and residue from the operation of the Resource Recovery Facility and disposal of construction and demolition waste take place.

**The Financing of the Solid Waste Management System of the County**

In order to finance the infrastructure required to implement the County's solid waste management system, including the construction of the Resource Recovery Facility, several series of bonds were previously issued by the PCFA, all of which have been fully amortized or paid. Accordingly, there are no remaining outstanding debt obligations of the PCFA related to the implementation of the County's solid waste management system.

Notwithstanding the foregoing, the PCFA has specific ongoing reimbursement obligations pursuant to and in accordance with that certain Emergent Funding and Reimbursement Agreement, dated November 29, 2010, between the PCFA and the State, acting by and through the NJDEP ("Reimbursement Agreement").

Pursuant to the Reimbursement Agreement, the PCFA was permitted to utilize certain unrestricted and restricted funds of the PCFA, and the State agreed to appropriate and provide certain monies to the PCFA, in an amount sufficient to pay the final principal payment and interest due on the PCFA's then-outstanding solid waste resource recovery revenue bonds ("Remaining Bond Payment"). Specifically, pursuant to the Reimbursement Agreement: (i) the PCFA utilized \$1,550,305.55 of available funds in its bond indenture accounts; (ii) the PCFA utilized \$3,449,694.45 of its unrestricted funds; (iii) the State provided \$2,100,000 in funds to the PCFA from funds made available pursuant to an appropriation in the Fiscal Year 2011 Appropriations Act; and (iv) pursuant to an administrative consent order executed by the Commissioner of the NJDEP, dated November 29, 2010, the PCFA was permitted to utilize \$10,106,062.50 from its Statutory Escrow Accounts ("Statutory Accounts") and \$8,000,000 from its Board of Public Utilities Closure Account ("BPU Closure Account" and together with the Statutory Accounts, the "Restricted PCFA Funds"), for the purpose of making the Remaining Bond Payment.

Note 18: **CONTINGENT LIABILITIES (CONT'D)****Pollution Control Financing Authority of Camden County (Cont'd)****The Financing of the Solid Waste Management System of the County (Cont'd)**

As a condition to the utilization of the Restricted PCFA Funds, the terms and provisions of the Reimbursement Agreement require the PCFA to provide annual reimbursement to the Restricted PCFA Funds of the amounts previously withdrawn, together with accrued interest thereon ("Total Reimbursement Amount"), in whole or in part, as applicable, by depositing certain available funds of the PCFA (including certain appropriations made by the State, if available) back into the PCFA Restricted Funds over a term of years ("NJDEP Reimbursement"). Specifically, the PCFA is required to include in its annual budget, beginning with its budget for fiscal year 2011, an amount equal to the "Estimated Net Available Funds" of the PCFA, which includes the estimated funds available for the reimbursement of the Restricted PCFA Funds, calculated as the estimated total annual gross receipts, revenues and proceeds estimated to be received by the PCFA from operations, dispositions or any other source, less all anticipated expenditures for such fiscal year, including, without limitation, all operating costs, payments on indebtedness, general and administrative expenses, and all reserves of the PCFA. On December 31 of such year, the PCFA is required to deposit into the Restricted PCFA Funds the actual amount of funds then available, together with any available appropriations made by the State to the PCFA in such year, for purposes of paying all or a portion of the Total Reimbursement Amount. Any amounts due and owing relative the Total Reimbursement Amount shall be carried over into the subsequent year until such time as the Total Reimbursement Amount is paid in full (anticipated within five (5) years from 2011).

**The Atlantic Coast Decision of the United States Court of Appeals for the Third Circuit**

On May 1, 1997, in Atlantic Coast Demolition & Recycling, Inc. v. Board of Chosen Freeholders of Atlantic County, 112 F.3d. 652 (3d Cir. 1997), the United States Court of Appeals for the Third Circuit held that New Jersey's solid waste management system unconstitutionally discriminates against out-of-state operators of waste disposal facilities and, therefore, violates the Commerce Clause of the United States Constitution. Certain parties in the Atlantic Coast litigation filed a petition for writ of certiorari with the United States Supreme Court seeking a review of the decision of the Third Circuit. On November 10, 1997, the United States Supreme Court denied the petition for writ of certiorari.

Based upon the Atlantic Coast decision, the method used to select and operate the Resource Recovery Facility and the Landfill as the facilities designated for the disposal of all of the solid waste generated by each county within the County appeared to unconstitutionally restrict interstate commerce.

On January 29, 1996, following an interim ruling in the Atlantic Coast case which invalidated regulatory flow control for certain construction and demolition waste ("C&D Waste"), the PCFA reduced tipping fees for C&D Waste delivered to the Landfill to a reduced market rate. On November 17, 1997, following the denial of certiorari by the United States Supreme Court in the Atlantic Coast case, the Partnership unilaterally reduced system tipping fees being collected by the Partnership at the Resource Recovery Facility to a level less than that imposed by the PCFA. This was a response by the Partnership to price competition and the resulting decrease in the volume of solid waste being delivered for processing at the Resource Recovery Facility. Since that time, tipping fees at the Resource Recovery Facility have been reduced and/or increased to a market competitive rate in an effort to maximize operating revenues.

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Note 18: **CONTINGENT LIABILITIES (CONT'D)**

**Pollution Control Financing Authority of Camden County (Cont'd)**

**The Response of the County to the Atlantic Coast Decision**

In an attempt to address, among other things, the structure of the County's solid waste management plan in the aftermath of the Atlantic Coast decision, on September 18, 1997, the Board adopted a resolution authorizing an amendment to the solid waste management plan of the County. The plan amendment is entitled "A Strategy for the Disposal of Solid Waste Generated Within the Camden County Solid Waste Management District and for the Satisfaction of Solid Waste Disposal Related Debt Obligations After the Implementation of the Atlantic Coast Court Decision" ("September 1997 Solid Waste Management Plan Amendment"). The September 1997 Solid Waste Management Plan Amendment directed that the PCFA procure disposal capacity using methods that comply with the laws governing public contracts and in a manner that does not discriminate against interstate commerce. Further, the PCFA was directed to continue to aggregate its disposal and administrative costs and impose a unified tipping fee on all waste collected for disposal within the County.

On November 14, 1997, the Commissioner of the NJDEP issued a certification with respect to the September 1997 Solid Waste Management Plan Amendment of the County ("NJDEP Certification"). The NJDEP granted approval with regard to that aspect of the September 1997 Solid Waste Management Plan Amendment governing the procurement of disposal capacity using methods that comply with the laws governing public contracts and in a manner that does not discriminate against interstate commerce. However, since the procurement process had not yet been completed, such NJDEP approval of this aspect of the September 1997 Solid Waste Management Plan Amendment was made contingent upon receipt by the NJDEP of a subsequent amendment or administrative action that documents the awarding of a nondiscriminatory bid contract(s).

Finally, the NJDEP determined to be unenforceable the establishment by the September 1997 Solid Waste Management Plan Amendment of flow control during the interim period between judicial abrogation of the then current disposal contracts and the completion of the procurement of new disposal capacity in a manner that does not discriminate against interstate commerce. The NJDEP has concluded that the lifting by the Third Circuit of the District Court's stay of the injunction against the enforcement of flow control precludes even this interim control of flow as anticipated by the September 1997 Solid Waste Management Plan Amendment.

For the purpose of responding to the remaining issues cited by the NJDEP Certification, on December 29, 1997, the Board adopted a resolution authorizing a further amendment to the solid waste management plan of the County. The plan amendment is entitled "A Modified Strategy for the Disposal of Solid Waste Generated within the Camden County Solid Waste Management District, Following the November 10, 1997 Implementation of the Atlantic Coast decision, and Following the New Jersey Department of Environmental Protection's Acceptance in Part, Rejection in Part and Remand in Part of Camden County Plan Amendment 81-9-97 Adopted September 18, 1997" ("December 1997 Solid Waste Management Plan Amendment"). In compliance with the NJDEP Certification, the December 1997 Solid Waste Management Plan Amendment deleted from the solid waste management plan of the County the establishment of flow control during the interim period between judicial abrogation of the disposal contracts and the completion of procurement of new disposal capacity in a manner that does not discriminate against interstate commerce.

The December 1997 Solid Waste Management Plan Amendment was submitted to the NJDEP for consideration of approval. On June 29, 1998, the Commissioner of the NJDEP issued a certification with respect to the December 1997 Solid Waste Management Plan Amendment. The NJDEP, among other things, (i) approved the deletion of the reference to the retention of regulatory flow control during the interim period prior to completion of nondiscriminatory procurement, and (ii) approved the inclusion of a strategy to complete a nondiscriminatory procurement process and to thereby regulate the flow of waste as a market regulator (although the NJDEP stressed that separate approval of the actual results of such procurement will be required).

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**Note 18: CONTINGENT LIABILITIES (CONT'D)****Pollution Control Financing Authority of Camden County (Cont'd)**

On December 5, 1997, the PCFA opened bids and proposals submitted with respect to the reprourement by the PCFA of solid waste disposal services. For a period of time thereafter, the bids and proposals, as well as supplements thereto solicited by the PCFA during 2000, were considered by the PCFA and its professional advisors. During a portion of such period, the PCFA engaged in substantive negotiations with the Partnership, as one of the responding proposers, for the purpose of attempting to agree upon the final terms and conditions of a long-term solid waste services disposal agreement. Upon the completion of such process, the contract for the reprourement of solid waste disposal services was awarded by the PCFA to the Partnership. Such contract between the PCFA and the Partnership (the "Reprocurement Agreement") was signed on July 25, 2001, and on such date such Reprocurement Agreement was submitted by the PCFA to the State for approval, in satisfaction of applicable statutory requirements. In response to the submission to the State by the PCFA, the State submitted questions to the PCFA via interrogatories. The PCFA responded to the interrogatories of the State on November 5, 2001 and has not received further communication from the State with regard to the Reprocurement Agreement. The period during which the State may approve or reject the Reprocurement Agreement has lapsed. The obligations of the PCFA and the Partnership pursuant to the terms of the Reprocurement Agreement were subject to the satisfaction of certain conditions precedent identified in the Reprocurement Agreement. Such conditions precedent were not satisfied by the specified date and, therefore, the Reprocurement Agreement has automatically terminated. No further reprourement agreements were executed. The 1985 Service Agreement between the PCFA and the Partnership expired on July 1, 2011.

**Proposed Dissolution of the PCFA**

The County has preliminarily determined that the best interests of the residents of the County would be served by the dissolution of the PCFA to be accomplished pursuant to the requirements of the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1, et seq., as amended and supplemented ("Local Authorities Fiscal Control Law"), including N.J.S.A. 40A:5A-20. The County has also preliminarily determined that the dissolution of the PCFA could result in savings to the County by reducing overall costs by combining operations and providing services in a more efficient manner.

In connection with the proposed dissolution, the County, the PCFA and the CCIA have collectively preliminarily determined that it would be in the best interests of the residents of the County for the CCIA to: (i) upon dissolution, on a going-forward basis, assume the responsibility and otherwise provide for the payment of all creditors or obligees of the PCFA, (ii) assume ownership of the Landfill, and (iii) provide all of those services previously provided by the PCFA. On April 14, 2011, the Commissioners of the CCIA adopted a resolution preliminarily authorizing the CCIA, upon dissolution, on a going-forward basis, to assume responsibility and otherwise provide for the payment of all creditors and obligees of PCFA upon dissolution of PCFA and to assume ownership and operation of the Landfill ("CCIA Assumption Resolution").

Finally, the PCFA has preliminarily determined to voluntarily accede to the dissolution and to cooperate with the County and the CCIA in connection with the dissolution and transfer of the Landfill and other assets of the PCFA to CCIA. To that end, the PCFA adopted resolutions on March 22, 2011 and May 24, 2011, preliminarily authorizing the dissolution and the transfer of the PCFA's assets and liabilities to the CCIA.

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**Note 18: CONTINGENT LIABILITIES (CONT'D)****Pollution Control Financing Authority of Camden County (Cont'd)**

Pursuant to Section 20 of the Local Authorities Fiscal Control Law, the PCFA may be dissolved by the County, subject to approval of the Local Finance Board. On May 19, 2011, the Board of Chosen Freeholders of the County introduced an ordinance authorizing the dissolution of the PCFA and making certain other determinations in connection therewith ("Dissolution Ordinance"). The Dissolution Ordinance provides, as a condition to dissolution, for the CCIA to provide, upon dissolution, on a going-forward basis, for the payment of all creditors and obligees of the PCFA (including the NJDEP). The CCIA Assumption Resolution provides for the CCIA, upon dissolution, on a going-forward basis, to be responsible for all of the PCFA's outstanding obligations (including the NJDEP Reimbursement) and for the provision of all the services previously provided by the PCFA, including ownership and operation of the Landfill and to take possession of any and all assets and property (including real property), rights and privileges of the PCFA, including contract rights, permits, claims, defenses, causes of action, and all tangible and intangible interests.

In accordance with the Local Authorities Fiscal Control Law, the County and the CCIA are in the process of completing an application to be submitted to the Local Finance Board seeking approval for the final adoption of the Dissolution Ordinance. As of the date hereof, however, no such application has been filed. Upon filing to and approval from the Local Finance Board for the final adoption of the Dissolution Ordinance, the County, the PCFA and the CCIA shall undertake and complete all legal and procedural requirements necessary to effectuate the dissolution of the PCFA and the transfer of the PCFA's assets and liabilities to the CCIA as described above. Additionally, upon determination to proceed with the filing of an application to the Local Finance Board, the PCFA and the CCIA shall undertake and complete all necessary procedural and legal requirements relative to the transfer of the Landfill and related assets to the CCIA upon dissolution of the PCFA.

**Litigation Concerning the Pennsauken Sanitary Landfill**

The PCFA acquired the Pennsauken Sanitary Landfill ("Landfill") from the Township of Pennsauken ("Pennsauken") and the Pennsauken Solid Waste Management Authority ("PSWMA") in December 1991, pursuant to the provisions of the Amended and Restated Operations Transfer Agreement, dated October 11, 1991 (the "AROTA"), among the PCFA, the PSWMA, Pennsauken and the County. Prior to that time, the Landfill was operated by the PSWMA on land owned by Pennsauken. Since acquisition the PCFA has continued to operate the Landfill for disposal of bypass waste, residue from the operation of the Resource Recovery Facility, and the disposal of construction and demolition waste.

There are long-standing claims regarding the remediation of the contamination of the Landfill. The PSWMA executed an Administrative Consent Order ("ACO") with the New Jersey Department of Environmental Protection in December 1988. The ACO obligated the PSWMA to remediate contamination caused by the Landfill. The PCFA assumed the remediation obligations of the PSWMA pursuant to the AROTA. The PCFA, PSWMA and Pennsauken were plaintiffs in ongoing litigation seeking the recovery of costs associated with remediation necessary pursuant to the ACO. Counterclaims were made against Pennsauken. Pennsauken was represented by counsel for one of its insurance carriers. Trial in this litigation commenced on January 20, 2009. By the end of the second day of trial, all claims in the litigation were settled in principle. The PCFA and some defendants continue to review and execute settlement agreements. Pursuant to the settlement agreements, all defendants have been given releases and indemnification protection by the PCFA and Pennsauken. Settlement documents with Ward Sand and Materials Company and James D. Morrissey, Inc. (the "Ward Sand parties") (the prior landfill owner and operator) are in the process of being finalized. In the meantime, the Ward Sand parties have satisfied their payment obligations. Pursuant to the ACO, the PCFA is primarily responsible for the liability associated with the contamination at the Landfill either directly as a successor to the PSWMA under the ACO or indirectly through the indemnification provisions of the AROTA. In the event that the litigation settlement proceeds are not sufficient to remediate the contamination at the Landfill, Pennsauken could be potentially responsible pursuant to the indemnification provisions in the various settlement agreements. Additionally, it is possible that the County could be responsible for all or a portion of such liability under the AROTA. To date, \$15,603,370.29 in settlement proceeds have been collected from all of the settling parties. Recent estimates

Note 18: **CONTINGENT LIABILITIES (CONT'D)****Pollution Control Financing Authority of Camden County (Cont'd)**

project that the remediation cost to be approximately this amount or less. They are premised on the designed system accomplishing the remediation as presently designed. Design modifications could be necessary. Additionally, it is presently anticipated that the remediation can accomplish the desired goals in approximately 10-30 years. Contingencies could arise which could impact the design of the remediation system or the length of time in which it must be in operation. Therefore, it is impossible to determine at this time what the exact cost of the PCFA's remediation obligations will be. While it is impossible to estimate the likelihood of such an outcome, any such liability of the PCFA and/or the County could have a material adverse impact upon their respective financial conditions. In the event of a dissolution of the PCFA, any existing or potential liabilities of the PCFA would pass to the CCIA.

Note 19: **OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST**

On November 3, 1997, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of Camden County authorized the establishment of the Camden County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 1998, 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 one cent per one hundred dollars of equalized valuation. On November 8, 2005, the County of Camden proposed to levy an additional one cent per one hundred dollars of equalized valuation. 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. 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 purposes stated. Interest earned on the investment of these funds is credited to the Camden County Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

Note 20: **CHANGE ORDERS**

During the year, the County amended various contracts by approving the following change orders that resulted in the total amount of change orders executed for the projects to exceed the originally awarded contract price by more than 20 percent:

<b><u>Vendor Name</u></b>	<b><u>Original Contract Amount</u></b>	<b><u>Total Amount Of Change Orders</u></b>	<b><u>Project Description</u></b>
Mount Construction	\$6,631,265	\$1,752,648	Improvements to Cooper River Park

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The County has complied with all provisions of N.J.A.C. 5:30-11.9.

Note 21: **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 **with the exception** of the eventual resolution of the litigation involving the Pollution Control Financing Authority (see Note 18).

Note 22: **TAX ABATEMENTS**

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

For 2016, the Abstract of Ratables for Camden County indicated 22 of 37 municipalities abated property taxes under this program. The total assessed value abated was \$63,728,400.00. Municipalities also granted various other abatements of which the dollar amount of assessments is not readily available. The County receives 100% of its tax levy from each of the municipalities within the County and does not have any reduction in revenue as a result of these tax abatement programs.

Note 23: **SUBSEQUENT EVENTS**

Subsequent to December 31, 2016, the following actions were taken by the Board of Freeholders:

Authorization of the issuance of the following:

General Capital:

Bonds and Notes:

Repair and/or Replacement of Certain County  
Infrastructure Projects

Introduced:

May 18, 2017

\$11,756,225

Adopted:

June 15, 2017

**APPENDIX C**

**Copy of the 2017 Bond Resolution and Form of 2017 Loan Agreement**



RESOLUTION OF THE CAMDEN COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE OF COUNTY GUARANTEED LOAN REVENUE BONDS AND COUNTY GUARANTEED LOAN REVENUE REFUNDING BONDS

Adopted: September 14, 2017

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**RESOLUTION OF THE CAMDEN COUNTY IMPROVEMENT  
AUTHORITY AUTHORIZING THE ISSUANCE OF COUNTY  
GUARANTEED LOAN REVENUE BONDS AND COUNTY  
GUARANTEED LOAN REVENUE REFUNDING BONDS**

WHEREAS, The Camden County Improvement Authority, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of Chosen Freeholders of the County of Camden ("County") adopted on March 20, 1979, and any successor to its duties and functions ("Authority"), is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (*N.J.S.A. 40:37A-44 et seq.*) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

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

WHEREAS, the Authority has determined, pursuant to the Act, to finance the 2017 Project (as hereinafter defined), all as more particularly described in Exhibit A to the Loan Agreement (as hereinafter defined); and

WHEREAS, all actions necessary and required under the Act for the approval of the 2017 Project, including, without limitation, obtaining the consent of the County to undertake the financing and the consent of the County to the guaranty of the Series 2017 Bonds (as hereinafter defined) and the review of and consent to such financing and such guaranty by the Local Finance Board of the Division of Local Government Services, State Department of Community Affairs, have been and/or will have been taken prior to the issuance of the Series 2017 Bonds; and

WHEREAS, the Authority will, pursuant to the Act, provide for the financing of the Costs (as hereinafter defined) of the 2017 Project by the issuance of its Series 2017 Bonds and the lending of the proceeds thereof to the County pursuant to the terms and conditions set forth herein and in the Loan Agreement; and

WHEREAS, pursuant to the terms of the Loan Agreement, the County is required to make the Loan Payments (as hereinafter defined) to the Authority on each Loan Payment Date (as hereinafter defined) in an amount equal to the debt service on the Series 2017 Bonds due on

the immediately succeeding Interest Payment Date (as hereinafter defined) or Principal Installment Date (as hereinafter defined), as the case may be; and

WHEREAS, the County will authorize the performance of its obligations under: (i) the Guaranty (as hereinafter defined), including the repayment of any Series 2017 Bonds issued by the Authority, through the adoption of the Guaranty; and (ii) the Loan Agreement and the Continuing Disclosure Agreement (as defined in the Loan Agreement) through the adoption of the Loan Ordinance (as hereinafter defined).

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

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

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

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

**Accrued Aggregate Debt Service** shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service, calculating the accrued Debt Service as an amount equal to the sum of (i) interest on the Bonds accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment next due which would have accrued (if deemed to accrue in the manner set forth in the definition of "Debt Service") to the end of such calendar month.

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

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

**Additional Loan Payments** shall mean any and all amounts payable by the County to the Authority pursuant to the Loan Agreement including, but not limited to, Section 5.02(B) of the Loan Agreement representing additional Costs of the 2017 Capital Program undertaken by the County pursuant to Section 4.11 of the Loan Agreement, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of this Bond Resolution, the Loan Agreement and the Guaranty, including reasonable attorneys' fees related hereto and thereto.

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

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

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

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

**Authority Administrative Expenses** shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under this Bond Resolution, the Guaranty and the Loan Agreement, as applicable, including, but not limited to, (i) the Initial Authority Financing Fee, (ii) the Annual Authority Administrative Fee, (iii) the Project Management Fee with respect to the 2017 Capital Program, (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the 2017 Project or the compelling of the full and punctual performance of this Bond Resolution, the Guaranty and the Loan Agreement in accordance with the terms hereof and thereof, (v) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries, Escrow Agent for each of the Series 2011 Refunded Bonds and the Series 2013 Refunded Bonds, and others, (vi) the Authority's construction monitoring fee set forth in the Award Certificate for the Series 2017A Bonds, if any, and (vii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar, the Trustee or the Escrow Agent for each of the Series 2011 Refunded Bonds and the Series 2013 Refunded Bonds or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under this Bond Resolution, the Guaranty and the Loan Agreement, all to the extent not capitalized pursuant to the requirements of this Bond Resolution, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the County.

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

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

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

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

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

**Bond** or **Bonds** shall mean, collectively, (i) the Series 2017A Bonds issued pursuant to Sections 201, 202 and 203 of this Bond Resolution to provide funds to finance the Costs of the 2017 Capital Program, (ii) the Series 2017B Bonds issued as a Series of Refunding

-4-

**Completion Date** shall mean the date of completion of the 2017 Capital Program as stated in the County's Completion Certificate described in Section 4.05 of the Loan Agreement.

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

**Cost** or **Costs** shall mean and shall be deemed to include, with respect to the 2017 Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Loan Agreement, (a) the costs of payment of, or reimbursement for, the acquisition, construction, equipping and furnishing of the 2017 Capital Program including, but not limited to, environmental and remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2017 Capital Program, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to this Bond Resolution, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, including but not limited to the Project Management Fee for the 2017 Capital Program, if any, and of the County, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing; (b) all other costs which the County or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, equipping and furnishing of the 2017 Capital Program including, but not limited to, the cost of insurance; (c) any sums required to reimburse the County for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2017 Capital Program; (d) deposits in any Fund or Account under this Bond Resolution, all as shall be provided in this Bond Resolution; and (e) such other expenses not specified herein or in the Loan Agreement as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the 2017 Capital Program, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the costs and expenses incurred by any agent of the Authority or the County for any of the above-mentioned items or in connection with the administration and enforcement of the Guaranty, the Continuing Disclosure Agreement and the Loan Agreement.

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

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

**Debt Service** for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including each Series of the Series 2017 Bonds, an amount equal to the sum of (i) the interest accruing during such period on each such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the applicable Account in the Debt Service Fund, and (ii) that portion of each Principal Installment which

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Bonds pursuant to Section 205 of this Bond Resolution to provide funds to finance the Series 2017 Refunding Program, and (iii) any other Refunding Bonds.

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

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

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

**Bond Resolution** shall mean this resolution adopted by the Authority on September 14, 2017 entitled, "Resolution of The Camden County Improvement Authority Authorizing the Issuance of County Guaranteed Loan Revenue Bonds and County Guaranteed Loan Revenue Refunding Bonds," as the same may be amended, modified and supplemented in accordance with the provisions hereof and pursuant to the provisions of the Award Certificate executed by the Executive Director of the Authority in connection with the issuance of the Series 2017 Bonds.

**Bond Year** shall mean, with respect to each Series of the Series 2017 Bonds, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity dates of the respective Series of the Series 2017 Bonds or the date that is five (5) years after the Issue Date in the case of the Series 2017 Bonds, Bond Years shall end on each anniversary of the Issue Date and on the final maturity dates of the respective Series of the Series 2017 Bonds. For each Series of Refunding Bonds (excluding the Series 2017B Bonds), Bond Year shall be designated in the Supplemental Resolution pursuant to which such Series of Refunding Bonds is issued.

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

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

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

**Completion Certificate** shall mean the certificate described in Section 4.05 of the Loan Agreement, executed by the County, wherein, with respect to the 2017 Capital Program, the County certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 503(4) hereof.

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would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

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

**Debt Service Requirement** with respect to the next Interest Payment Date for any Series of Bonds shall mean (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date, and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, plus the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

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

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

**Delegation Resolution** shall mean that resolution adopted by the Authority on September 14, 2017 authorizing, *inter alia*, the execution and delivery of the Loan Agreement, the Award Certificate or Award Certificates, the Letter of Instructions, and a bond purchase contract or bond purchase contracts with the Underwriter for the sale of the Series 2017 Bonds, which resolution shall not constitute a Supplemental Resolution hereunder.

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

**Escrow Agent** shall mean TD Bank, National Association, the trustee for the Series 2011 Bonds and the Series 2013 Bonds.

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

**Favorable Opinion of Bond Counsel** shall mean an opinion of Bond Counsel, addressed to the Authority, the County and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Bond Resolution, any Supplemental Resolution and the Act and will not adversely affect the exclusion of interest on such Series of Tax-Exempt

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Obligations from gross income for purposes of Federal income taxation under Section 103 of the Code.

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

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

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

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

**Guaranty** shall mean the County's unconditional and irrevocable guaranty of the punctual payment when due of the principal of and interest on the Series 2017 Bonds duly adopted on September 19, 2017 pursuant to Section 37 of the Act (*N.J.S.A. 40:37A-80*), and entitled "RESOLUTION OF THE COUNTY OF CAMDEN IN THE STATE OF NEW JERSEY AUTHORIZING A GUARANTEE BY THE COUNTY OF THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE "COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES A OF 2017" AND "COUNTY GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES B OF 2017" TO BE ISSUED BY THE CAMDEN COUNTY IMPROVEMENT AUTHORITY FOR THE PURPOSES OF (A) FINANCING THE ACQUISITION AND INSTALLATION OF CERTAIN CAPITAL EQUIPMENT AND THE CONSTRUCTION OF CERTAIN CAPITAL INFRASTRUCTURE IMPROVEMENTS IN, BY AND FOR THE COUNTY AND (B) ADVANCE REFUNDING ALL OR A PORTION OF THE CALLABLE MATURITIES OF THE AUTHORITY'S OUTSTANDING COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES 2011 AND THE AUTHORITY'S OUTSTANDING COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES 2013," as the same may be amended and supplemented in connection with the issuance of any other Series of Refunding Bonds pursuant to the provisions hereof.

**Initial Authority Financing Fee** shall mean, with respect to: (i) the Series 2017 Bonds, the aggregate amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants adopted by resolution of the Authority dated April 11, 2002, as amended and supplemented, and as set forth in the Award Certificate executed by an Authorized Authority Representative in connection with the sale and award of the Series 2017 Bonds; and (ii) any other Series of Refunding Bonds, the amount specified in the applicable Supplemental Resolution authorizing such Series of Refunding Bonds or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Refunding Bonds.

**Interest Payment Date** shall mean: (i) each January 15 and July 15, commencing January 15, 2018, or such other date or dates as provided for in the Award Certificate for the Series 2017 Bonds; (ii) such other dates as shall be established by a Supplemental Resolution

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authorizing any other Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

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

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

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

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

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(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

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

(6) Local government investment pools;

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

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

- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection a. hereof;
- (b) the custody of collateral is transferred to a third party;
- (c) the maturity of the agreement is not more than thirty (30) days;
- (d) the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (*N.J.S.A. 17:9-41*); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

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

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

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f. For the purposes of this definition:

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

- (a) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940", 15 U.S.C. 80a-1 *et seq.*, and operated in accordance with 17 C.F.R. §270.2a-7;
- (b) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. §270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection b. hereof; and

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

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

- (a) which is managed in accordance with 17 C.F.R. §270.2a-7;
- (b) which is rated in the highest category by a nationally recognized statistical rating organization;
- (c) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. §270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection a. hereof;

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

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

(f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State Cash Management Fund, or through the use of a national or State bank located within the State, or through a broker-dealer which, at the time of

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purchase or redemption, has been registered continuously for a period of at least two years pursuant to Section 9 of P.L. 1967, c.93 (N.J.S.A. 49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

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

**Issue Date** shall mean, with respect to: (i) each Series of the Series 2017 Bonds, the date specified in the Award Certificate executed and delivered by the Authority in connection with the sale of the Series 2017 Bonds; and (ii) any other Series of Refunding Bonds, the date on which the Trustee authenticates such other Series of Refunding Bonds and on which such other Series of Refunding Bonds is delivered to the purchasers thereof upon original issuance.

**Letter of Instructions** shall mean the Letter of Instructions, dated the date of issuance and delivery of the Series 2017B Bonds, from the Authority to the Escrow Agent.

**Loan** shall mean the loan made by the Authority to the County in the aggregate principal amount not-to-exceed \$64,500,000 (which amount shall be specified in the Award Certificate relating to the Series 2017 Bonds and the Loan Agreement) to finance the aggregate Costs of the 2017 Project under the terms and conditions set forth in the Loan Agreement.

**Loan Agreement** shall mean the Loan and Security Agreement, dated as of November 1, 2017, by and between the Authority and the County, together with any supplements and amendments thereto, relating to the 2017 Project to be financed with the proceeds of the Loan.

**Loan Documents** shall mean, collectively, the Guaranty, the Loan Agreement, the Continuing Disclosure Agreement, this Bond Resolution, the Letter of Instructions and all documents and instruments executed and delivered in connection therewith and herewith and all amendments and modifications thereto and hereto.

**Loan Ordinance** shall mean the ordinance finally adopted by the County on September 19, 2017 and entitled, "RESOLUTION OF THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF CAMDEN, NEW JERSEY PROVIDING THE COUNTY'S CONSENT TO (I) (A) THE FINANCING OF THE ACQUISITION AND INSTALLATION OF CERTAIN CAPITAL EQUIPMENT AND THE CONSTRUCTION OF CERTAIN CAPITAL INFRASTRUCTURE IMPROVEMENTS IN, BY AND FOR THE COUNTY, AND (B) THE ADVANCE REFUNDING OF CERTAIN PRIOR COUNTY GUARANTEED LOAN REVENUE BONDS OF THE CAMDEN COUNTY IMPROVEMENT AUTHORITY ISSUED TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION OR INSTALLATION OF CERTAIN CAPITAL PROJECTS OF THE COUNTY; (II) THE ISSUANCE BY THE AUTHORITY OF A SERIES OF ITS TAX-

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

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

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

**Pledged Property** shall mean: (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; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of this Bond Resolution.

**Prepayment** shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.06 of the Loan Agreement.

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

**Principal Installment Date** shall mean: (i) with respect to the Series 2017 Bonds, each January 15, commencing January 15, 2018, or such other date or dates as provided for in the Award Certificate for the Series 2017 Bonds, on which any Principal Installment shall become due and payable by the Authority, or (ii) such other date as set forth in a Supplemental Resolution authorizing any other Series of Refunding Bonds. In the event a Principal Installment

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EXEMPT "COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES A OF 2017" AND A SERIES OF ITS TAX-EXEMPT "COUNTY GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES B OF 2017" FOR THE PURPOSES OF (A) FINANCING THE COUNTY PROJECT AUTHORIZED HEREBY AND (B) ADVANCE REFUNDING CERTAIN PRIOR COUNTY GUARANTEED LOAN REVENUE BONDS OF THE AUTHORITY ISSUED TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION OR INSTALLATION OF CERTAIN CAPITAL PROJECTS OF THE COUNTY; (III) THE LOAN AGREEMENT BY AND BETWEEN THE COUNTY AND THE AUTHORITY IN CONNECTION WITH THE FINANCING AND REFINANCING AUTHORIZED HEREBY; AND (IV) CERTAIN OTHER MATTERS RELATED THERETO AND PURSUANT TO N.J.S.A. 40:37A-56," approving and authorizing the execution and delivery, among other things, of the Loan Agreement and the Continuing Disclosure Agreement by the County and the performance of its obligations thereunder, including payment of Loan Payment obligations thereunder and Debt Service on any Bonds issued by the Authority, including the Series 2017 Bonds.

**Loan Payment** shall mean the sum of money representing principal and interest for: (i) the 2017 Capital Program necessary to amortize Debt Service on the Series 2017A Bonds payable by the County on each Loan Payment Date, as set forth in Exhibit A-1 to the Loan Agreement; and (ii) the Series 2017B Refunding Program necessary to amortize Debt Service on the Series 2017B Bonds payable by the County on each Loan Payment Date, as set forth in Exhibit A-2 to the Loan Agreement, as described in Section 5.02(A) of the Loan Agreement and redemption premium, if any, to the extent required to redeem the respective Series of the Series 2017 Bonds pursuant to Article IV of this Bond Resolution and, as applicable, Additional Loan Payments payable by the County upon demand pursuant to Sections 5.02(B) of the Loan Agreement, respectively.

**Loan Payment Date** shall mean: (i) with respect to each Series of the Series 2017 Bonds, five (5) Business Days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date for such Series, as the case may be; and (ii) such other dates determined in accordance with the Loan Agreement as may be set forth in a Supplemental Resolution authorizing any other Series of Refunding Bonds.

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

**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.

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

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

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

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

**Proceeds** shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the 2017 Capital Program remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 7.05 of the Loan Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

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

**Project Management Fee** shall mean all fees and costs attributable to the Authority's management and oversight services provided in connection with the planning, pre-construction, construction and post-construction phases of the 2017 Capital Program. The Authority shall invoice the County at predetermined and mutually agreed upon rates, on a monthly or such other periodic basis throughout the construction period for the 2017 Capital Program, as agreed to by the Authority and the County, for services performed by the Authority in carrying out the 2017 Capital Program for the benefit of the County. The County shall ensure timely payment of each invoice presented by the Authority for payment from amounts on deposit in the 2017A Account in the Acquisition Fund or from other available funds of the County, as the case may be.

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

**Record Date** shall mean: (i) January 1 and July 1 next preceding any Interest Payment Date, or such other date or dates as provided for in the Award Certificate for the Series 2017 Bonds; or (ii) such other dates as set forth in a Supplemental Resolution authorizing any other Series of Refunding Bonds.

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

**Refunded Bonds** shall mean, collectively the Series 2011 Refunded Bonds and the Series 2013 Refunded Bonds.

**Refunding Bonds** shall mean any Bonds authenticated and delivered on original issuance pursuant to Section 205 hereof, including the Series 2017B Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 hereof.

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

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

**Revenues** shall mean: (i) all amounts, including Loan Payments, received by the Authority from the County under the Loan Agreement; (ii) any moneys or securities held pursuant to this Bond Resolution and paid or required to be paid into the Debt Service Fund; (iii) any payments made by the County to the Authority pursuant to the Guaranty and Sections 508(2) and 708 hereof; (iv) interest received on any moneys or Investment Securities held under this Bond Resolution (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to this Bond Resolution; and (v) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Resolution.

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

**Series 2011 Bonds** shall mean the Authority's County Guaranteed Loan Revenue Bonds (County Capital Program), Series 2011 issued on December 23, 2011, in the original aggregate principal amount of \$26,565,000, pursuant to a resolution adopted by the Authority on October 13, 2011, entitled "Resolution of The Camden County Improvement Authority Authorizing the Issuance of County Guaranteed Loan Revenue Bonds (County Capital Program)", as amended and supplemented to date.

**Series 2011 Loan Agreement** shall mean the Loan and Security Agreement, dated as of December 1, 2011, by and between the County and the Authority, providing for the lending of the proceeds of the Series 2011 Bonds to the County to finance the acquisition of certain capital equipment and the construction of certain capital improvements.

**Series 2011 Refunded Bonds** shall mean all or a portion of the \$9,705,000 aggregate principal amount of the Authority's outstanding Series 2011 Bonds maturing serially on January 15 in each of the years 2023 through 2026, inclusive, refunded, on an advanced basis, with the proceeds of the Series 2017B Bonds.

**Series 2011 Refunded Bonds Redemption Date** shall mean January 15, 2022 (or such other date as shall be set forth in the Award Certificate executed by an Authorized Authority Representative in connection with the sale of the Series 2017B Bonds).

**Series 2013 Bonds** shall mean the Authority's County Guaranteed Loan Revenue Bonds (County Capital Program), Series 2013 issued on December 12, 2013, in the original

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aggregate principal amount of \$38,200,000, pursuant to a resolution adopted by the Authority on October 10, 2013, entitled "Resolution of The Camden County Improvement Authority Authorizing the Issuance of County Guaranteed Loan Revenue Bonds", as amended and supplemented to date.

**Series 2013 Loan Agreement** shall mean the Loan and Security Agreement, dated as of December 1, 2013, by and between the County and the Authority, providing for the lending of the proceeds of the Series 2011 Bonds to the County to finance the acquisition of certain capital equipment and the construction of certain capital improvements.

**Series 2013 Refunded Bonds** shall mean all or a portion of the \$24,815,000 aggregate principal amount of the Authority's outstanding Series 2013 Bonds maturing serially on January 15 in each of the years 2023 through 2029 (and including both of the 2016 maturities), inclusive, refunded, on an advanced basis, with the proceeds of the Series 2017B Bonds.

**Series 2013 Refunded Bonds Redemption Date** shall mean January 15, 2022 (or such other date as shall be set forth in the Award Certificate executed by an Authorized Authority Representative in connection with the sale of the Series 2017B Bonds).

**Series 2017 Refunding Program** shall mean the refunding, on an advanced basis, of up to all of the: (i) Series 2011 Refunded Bonds on the Series 2011 Refunded Bonds Redemption Date; and (ii) Series 2013 Refunded Bonds on the Series 2013 Refunded Bonds Redemption Date, upon the terms and conditions set forth in the Local Finance Board Application filed with and approved by the Local Finance Board in the Division of Local Government Services in the State Department of Community Affairs on September 13, 2017.

**Series 2017 Bonds** shall mean, collectively, the Series 2017A Bonds and Series 2017B Bonds issued as Tax-Exempt Obligations, so designated, authenticated and delivered to the Underwriter upon original issuance pursuant to Section 203 hereof (with respect to the Series 2017A Bonds) and Section 205 hereof (with respect to the Series 2017B Bonds) in the not-to-exceed \$64,500,000 original aggregate principal amount.

**Series 2017A Bonds** shall mean the Authority's County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017, in an aggregate principal amount not-to-exceed \$24,500,000, authorized in accordance with the terms of the Act and this Bond Resolution and issued to finance the 2017 Capital Program.

**Series 2017B Bonds** shall mean the Authority's County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017, in an aggregate principal amount not-to-exceed \$40,000,000, authorized in accordance with the terms of the Act and this Bond Resolution and issued to finance the Series 2017 Refunding Program.

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

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

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**Standard & Poor's or S&P** shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New Jersey, and its successors and assigns, if any.

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

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

**Tax-Exempt Obligations** shall mean any Series of Bonds, including the Series 2017 Bonds, which is issued pursuant to the terms of this Bond Resolution together with an opinion of Bond Counsel to the effect that the interest on such Bonds is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

**Trustee** shall mean, with respect to each Series of the Series 2017 Bonds and any other Series of Refunding Bonds issued hereunder, TD Bank, National Association, Cherry Hill, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Bond Resolution or appointed trustee pursuant to a Supplemental Resolution.

**2017 Capital Program** shall mean the County's capital improvement program consisting of the acquisition and installation of certain items of capital equipment and the construction and equipping of certain capital infrastructure improvements by the County as set forth in the County's 2016 and 2017 Capital Budgets, including all necessary materials, improvements, appurtenances, and site work related thereto; all as more particularly described in Exhibit G to the Loan Agreement.

**2017 Project** shall mean, collectively, the Costs of: (i) acquisition, installation, construction and equipping of the 2017 Capital Program, to be financed with the proceeds of the Series 2017A Bonds; and (ii) the Series 2017 Refunding Program to be financed with the proceeds of the Series 2017B Bonds.

**Underwriter** shall mean the underwriter named in the bond purchase contract between the Authority and the Underwriter and the Award Certificate, dated the date of sale of the Series 2017 Bonds.

**Verification Agent** shall mean Bowman & Company LLP, Voorhees, New Jersey.

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

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine

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gender shall mean and include correlative words of the feminine and neuter gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.

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

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

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ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

**Section 201. Authorization of Bonds.** 1. In accordance with the Act and pursuant to the provisions of this Bond Resolution, there is hereby authorized to be issued: (i) a Series of Bonds of the Authority in an aggregate principal amount not-to-exceed \$24,500,000 to be designated as "County Guaranteed Loan Revenue Bonds" and (ii) a Series of Refunding Bonds of the Authority in an aggregate principal amount not-to-exceed \$40,000,000 to be designated as "County Guaranteed Loan Revenue Refunding Bonds." The Bonds shall be direct and special obligations of the Authority payable solely from Revenues and secured by the Pledged Property. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Bond Resolution is not limited except as may hereafter be provided in this Bond Resolution or as may be limited by law. All Bonds issued hereunder shall be guaranteed by the County and each Bond certificate shall bear upon its face such designation. The Series 2017 Bonds shall be substantially in the form set forth in Section 1401 of this Bond Resolution, with appropriate insertions, omissions and variations.

2. The Bonds may, if and when authorized by the Authority pursuant to this Bond Resolution and one or more Supplemental Resolutions, be issued in one or more Series at one or more times, and the designation thereof, in addition to the names "County Guaranteed Loan Revenue Bonds" or "County Guaranteed Loan Revenue Refunding Bonds," as applicable, shall include such further appropriate particular program or project designation including, but not limited to, "(County Capital Program)" added to or incorporated in such title for the Bonds of any particular Series as the Authority shall determine in the Award Certificate with respect to such Series of Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

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

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

**Section 202. General Provisions for Issuance of Bonds.** 1. All of the Bonds of each Series, including the Series 2017 Bonds, shall be executed by the Authority for issuance under this Bond Resolution and shall be delivered to the Trustee. Thereupon the Trustee shall authenticate and shall deliver the Bonds to the Authority or upon its order, but only upon the receipt by the Trustee of:

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

- (g) A fully executed copy of the bond purchase contract for such Series of Bonds executed by the Authority and the Underwriter thereof;
- (h) An executed copy of Form 8038-G as required by Section 149(e) of the Code with respect to the Series of Tax-Exempt Obligations;
- (i) Except in the case of the initial Series 2017 Bonds, a certificate of an Authorized Authority Representative stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Bond Resolution;
- (j) For any Series of Refunding Bonds (other than the Series 2017B Bonds), prior to the authentication and delivery of such Series of Refunding Bonds, provision shall have been made for an amendment of the Guaranty to provide for the guaranty by the County of the timely payment when due of the principal of and interest on such Series of Refunding Bonds, in the same manner as set forth in the Guaranty with respect to the Series 2017 Bonds. Evidence of such guaranty shall be printed on each of the Refunding Bond certificates, as the case may be, 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 an Authorized County Representative. Any payments which are made by the County pursuant to the terms of such guaranty shall be made to the Trustee and shall thereafter be deposited by the Trustee in the Debt Service Fund in accordance with the terms of Section 508(2) hereof;
- (k) An opinion of County Counsel and/or County Bond Counsel (dated the date the Bonds are initially issued) to the effect that (i) the County has the right and power under the Act to adopt the Guaranty and the Guaranty has been duly and lawfully adopted by the County, is in full force and effect and is valid and binding upon the County enforceable in accordance with its terms and no other authorization for the Guaranty is required; (ii) the Guaranty is the valid binding, general obligation of the County enforceable in accordance with its terms and payments thereunder are payable out of the first funds becoming legally available to the County for such purpose and if such funds are not available, the County has the power and is obligated to levy *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County for the purpose of making payments under the Guaranty, without limitation as to rate or amount; and (iii) the Guaranty has been duly and validly authorized and issued in accordance with applicable law, including the Act and the Local Bond Law (*N.J.S.A. 40A:2-1 et seq.*), and is in full force and effect on the date of issuance of the Bonds, provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy; and

- (l) Such further documents, moneys and securities as are required by the provisions of Sections 203, 205 or 703 or Article XI or any Supplemental Resolution adopted pursuant to Article XI hereof.
2. All of the Bonds of each Series shall be identical in all respects, except as to such further name designation incorporated in the title for the Bonds of each Series, denominations, maturity date, interest rates, numbers and letters. After the original issuance of the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 hereof.

**Section 203. The Series 2017 Bonds.** 1. The Series 2017A Bonds shall be issued, authenticated and delivered to finance the Costs of acquisition, installation, construction, and equipping of the 2017 Capital Program. The Series 2017B Bonds shall be issued, authenticated and delivered to finance the Costs of the Series 2017 Refunding Program.

2. Pursuant to the provisions of this Bond Resolution, the Series 2017 Bonds are entitled to the benefit, protection and security of the provisions hereof and are hereby authorized to be issued in an aggregate principal amount not-to-exceed \$64,500,000 (consisting of the Series 2017A Bonds in an aggregate principal amount not-to-exceed \$24,500,000 and the Series 2017B Bonds in an aggregate principal amount not-to-exceed \$40,000,000). The Series 2017A Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title "County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017." The Series 2017B Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title "County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017."

3. The Series 2017 Bonds shall be issued to (i) finance the Costs of the 2017 Capital Program and the Series 2017 Refunding Program, (ii) make the required deposit, if any, into the Debt Service Fund, and (iii) pay costs and expenses incurred by the Authority and the County in connection with the issuance and delivery of the Series 2017 Bonds.

4. Each Series of the Series 2017 Bonds shall be dated, shall mature and shall be subject to redemption on the dates, at the respective Redemption Prices and in the respective principal amounts, and shall bear interest payable on the Interest Payment Dates at the respective rates per annum, all as set forth in the Award Certificate executed and delivered to the Trustee in accordance with the Delegation Resolution. The amount and due date of each Sinking Fund Installment, if any, for each Series of the Series 2017 Bonds shall be as set forth in the Award Certificate executed and delivered to the Trustee in accordance with the Delegation Resolution.

5. The Series 2017 Bonds shall be issued in fully registered, book-entry only form in Authorized Denominations. Unless the Authority shall otherwise direct the Bond Registrar, each Series of the Series 2017 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 2017 Bonds, the Trustee's certificate of authentication and evidence of the Guaranty of the County shall be substantially in the form set forth in Sections 1401, 1402 and 1403, respectively, hereof.

6. The principal or Redemption Price of the Series 2017 Bonds shall be payable, upon presentation and surrender thereof, at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey, as Paying Agent for the Series 2017 Bonds. The principal or Redemption Price of each Series of the Series 2017 Bonds shall also be payable on the applicable 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 each Series of the Series 2017 Bonds shall be payable by check of the Trustee, mailed or transmitted, on each applicable Interest Payment Date or the maturity date, as the case may be, to the Registered Owners thereof as the same appear as of the Record Date on the books of the Authority maintained by the Bond Registrar; provided, however, that a Registered Owner of \$1,000,000 or more in principal amount of each Series of the Series 2017 Bonds shall be entitled, upon three (3) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds.

7. Each Series of the Series 2017 Bonds shall be subject to redemption prior to their respective maturity dates as authorized by Article IV hereof and as set forth in the Award Certificate relating thereto.

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

- (a) an amount equal to capitalized interest, if any, accrued on the Loan shall be deposited into the Debt Service Fund;
- (b) an amount for the payment of the costs of issuance, including the Initial Authority Financing Fee, shall be deposited in the Operating Fund and paid in accordance with Section 505(2) hereof;
- (c) an amount sufficient to refund the Series 2011 Refunded Bonds, as confirmed by the Verification Agent, shall be transferred to the Escrow Agent and deposited in the Series 2011 Refunded Bonds Redemption Account in the Debt Service Fund pursuant to the Letter of Instructions for payment of the Costs of the Series 2017 Refunding Program allocable to the refunding of the Series 2011 Refunded Bonds;
- (d) an amount sufficient to refund the Series 2013 Refunded Bonds, as confirmed by the Verification Agent, shall be transferred to the Escrow Agent and deposited in the Series 2013 Refunded Bonds Redemption Account in the Debt Service Fund pursuant to the Letter of Instructions for payment of the Costs of the Series 2017 Refunding Program allocable to the refunding of the Series 2013 Refunded Bonds; and
- (e) the balance of the Loan proceeds shall be deposited into the 2017A Account in the Acquisition Fund for the payment of the Costs of the 2017 Capital Program, which Fund is created and established pursuant to Section 502(1) hereof.

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#### Section 204. Book-Entry System.

- (a) With respect to the Series 2017 Bonds and each other Series of Refunding Bonds for which the authorizing resolution so provides, except as provided in subsection (c) of this Section 204, the registered Holder of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. ("Cede"), as nominee of DTC. With respect to all Bonds for which Cede shall be the registered Holder, payment of semiannual interest on such Bonds shall be made by wire transfer of same day funds to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Authority kept by the Bond Registrar.
- (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 each Series of Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books of the Authority kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Bonds so registered in the name of Cede, the Authority and the Trustee shall have no obligation or responsibility to any DTC participant, indirect DTC participant or any beneficial owner of the Bonds. Without limiting the generality of the foregoing, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant or indirect DTC participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other Person, other than DTC or Cede, of any notice with respect to such Bonds, or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other Person, other than DTC or Cede, of any amount with respect to the principal of, redemption premium, if any, or interest on such Bonds. The Authority and the Trustee may treat as, and deem DTC to be, the absolute registered Holder of each such Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on such such Bond, (ii) giving notices with respect to such Bonds, (iii) registering transfers with respect to the Bonds and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on such Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal of, redemption premium, if any, and interest to the extent of the sum or sums so paid. No Person other than DTC shall receive a Bond certificate evidencing the obligation of the Authority to make payments of principal thereof, redemption premium, if any, and interest thereon pursuant to this Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Bond Resolution shall refer to such new nominee of DTC.

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- (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 Authority and discharging its responsibilities with respect thereto under applicable law. Upon receipt of such notice, the Authority shall promptly deliver a copy of same to the Trustee.  
  
(2) The Authority, (i) in its sole discretion and without the consent of any other Person, may terminate the services of DTC with respect to any Series of Bonds, and (ii) shall terminate the services of DTC with respect to such Bonds upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect DTC participants having interests, as shown in the records of DTC, of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Bonds so registered in the name of Cede to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Bonds; or (B) a continuation of the requirement that all such Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of such Bonds.  
  
(3) Upon the termination of the services of DTC with respect to all or any portion of such Bonds pursuant to subsection (c)(2)(i) or (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 subsection (c)(1) or subsection (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 Authority, is willing and able to undertake such functions upon reasonable and customary terms, such Bonds (or the applicable portion thereof) shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging such Bonds, as the case may be, shall designate, in accordance with the provisions of this Bond Resolution. Upon the determination by any party authorized herein that such Bonds (or any portion thereof) shall no longer be limited to book-entry form, the Authority shall immediately advise the Trustee, in writing, of the procedures for transfer of such Bonds from such book-entry form to a fully registered form.
- (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 of the Authority and the Trustee, addressed to DTC, with respect to such Bonds.

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

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

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

- (a) a certified copy of the ordinance or resolution of the County consenting to the issuance of such Series of Refunding Bonds and pledging the full faith and credit of the County to the punctual payment of the Loan Payment obligations incurred with respect to the issuance of such Series of Refunding Bonds;
- (b) irrevocable written instructions to the Escrow Agent (with respect to the Refunded Bonds) or the Trustee (with respect to Outstanding Bonds to be refunded), satisfactory to it, to give due notice of redemption of all or any portion of the Refunded Bonds or Outstanding Bonds (or any Series thereof), if any, to be redeemed on a redemption date specified in such instructions;
- (c) if the Bonds to be refunded (other than the Refunded Bonds) are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due provision for the notice provided for in Section 405 to the Holders of such 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 the Refunded Bonds or of those Bonds, if any, to be refunded and redeemed or the principal amount of the Refunded Bonds or of those Bonds, if any, to be refunded and paid at maturity, together with accrued interest on such series of the Refunded Bonds and Bonds to be refunded to the redemption or maturity date, which moneys shall be held by the Escrow Agent or the Trustee, as the case may be, or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the Holders of each series of the Refunded Bonds

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or the Bonds to be refunded, or (ii) Investment Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to comply with the provisions of subsection 2 of Section 1301, and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 and including a verification report to the same effect;

- (e) executed copies of amendments to the Loan Agreement (solely with respect to Refunding Bonds other than the Series 2017B Bonds) certified to as being in full force and effect by an Authorized Authority Representative and an Authorized County Representative; and
- (f) a certified copy of the ordinance or resolution authorizing the Guaranty for such Series of Refunding Bonds along with duly certified copies of the authorization proceedings related thereto.

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

4. Upon the defeasance of the Bonds being refunded, the refunded Bonds shall no longer be entitled to the benefit of the Guaranty for the refunded Bonds and such Guaranty shall be released and extinguished with respect to such refunded Bonds.

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### ARTICLE III

#### GENERAL TERMS AND PROVISIONS OF BONDS

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

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

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

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

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

5. The Series 2017 Bonds upon original issuance shall be dated as provided in this Bond Resolution. Refunding Bonds (other than the Series 2017B Bonds) shall be dated as provided in a Supplemental Resolution. Principal of the Bonds shall be payable at maturity upon presentation and surrender thereof at the office of the Paying Agent. Bonds shall bear interest as provided herein or in the Supplemental Resolution authorizing such Series of Bonds, payable by check, except as provided in Section 203(6) and Section 204 hereof, to Registered Owners of such Bonds as of the Record Date provided for such Bonds at their addresses on file with the Bond Registrar. After original issuance, all Bonds exchanged or transferred shall bear an authentication date that shall be the date authenticated. Interest on Bonds shall accrue from the Interest Payment Date to which interest has been paid next preceding the authentication date unless (a) the date of authentication is also an Interest Payment Date to which interest has been paid, in which event such Bonds shall be dated and shall bear interest from the date of authentication, or (b) the date of authentication is prior to the first Interest Payment Date, in which event such Bonds shall bear interest from the original dated date of such Bonds; provided however that if, as shown on the records of the Trustee, interest on the Bonds of any Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

##### Section 302. Legends. 1. The Bonds of each Series may contain or may

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

2. Each Series of Bonds shall bear thereon evidence of the Guaranty in the form set forth in Section 1403 of this Bond Resolution, which shall be executed by an Authorized County Representative as set forth therein. The Guaranty upon any Bond duly executed by an Authorized County Representative shall be conclusive evidence that the Holder thereof is entitled to the benefits of the Guaranty.

**Section 303. Execution of Bonds.** The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal shall be thereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority. In the event any officer who shall have signed, sealed or attested any of the Bonds shall cease to be such officer of the Authority before the Bonds 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 Authority by any Person who shall hold the proper office at the date of such act, notwithstanding at the date of such Bonds such Person may not have held such office.

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

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

2. The Authority and each Fiduciary may deem and treat the Person in whose name any Bond shall be registered upon the books of the Authority as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on such Bond and all such

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

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

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

**Section 307. Temporary Bonds.** Until the definitive Bonds are prepared, the Authority may execute in the same manner as is provided in Section 303 hereof and, upon the request of the Authority, the Trustee or Bond Registrar shall authenticate and shall deliver in lieu of definitive Bonds but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds of the tenor of the definitive Bonds in lieu of which such

temporary Bond or Bonds are issued, in Authorized Denominations and with such omissions, insertions and variations as may be appropriate to temporary Bonds for notation thereon of the payment of such interest. The Authority at its own expense shall prepare and shall execute and, upon the surrender for exchange and for cancellation of such temporary Bonds, the Trustee or the Bond Registrar shall authenticate and shall deliver in exchange therefor definitive Bonds of the Authority without charge to the Holder thereof.

**Section 308. Payment of Interest on Bonds; Interest Rights Preserved.** 1. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Record Date or any date which is the fifteenth (15th) day next preceding an Interest Payment Date as shall be provided in a Supplemental Resolution authorizing any Series of Bonds.

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

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

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

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

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

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

If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if a notice of redemption shall have been given as aforesaid, then from and after the redemption

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## ARTICLE IV

### REDEMPTION OF BONDS

**Section 401. Privilege of Redemption and Redemption Price.** Bonds subject to redemption prior to maturity pursuant to this Bond Resolution or a Supplemental Resolution shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms, in addition to the terms contained in this Article IV, as may be specified in the Award Certificate pertaining to the Series 2017 Bonds and the Supplemental Resolution authorizing Refunding Bonds (other than the Series 2017B Bonds) or in the Award Certificate pertaining to such Series of Refunding Bonds. The written consent of the County to effectuate a redemption of any Series of Bonds shall be received by the Authority prior to the redemption of a particular Series of Bond, except for the redemption of Bonds pursuant to mandatory sinking fund redemption. A copy of such written consent of the County shall be received by the Trustee prior to the mailing of the notice of redemption in accordance with Section 405 hereof. Except as may be otherwise provided in a Supplemental Resolution authorizing a Series of Bonds or in the Award Certificate pertaining to such Series of Bonds, any Series of Bonds may be redeemed in whole or in part on any date by the Authority, at the written direction of the County, in accordance with this Bond Resolution or a Supplemental Resolution or Award Certificate, as applicable.

**Section 402. Redemption at the Election or Direction of the Authority.** In the case of any redemption of Bonds (including any Series thereof) by the Authority, at the written direction of the County, the Authority shall give written notice to the Trustee of the election or direction of the County to so redeem, except for the redemption of Bonds pursuant to mandatory sinking fund redemption, in accordance herewith, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Authority, upon the written consent of the County, subject to any limitations with respect thereto contained in this Bond Resolution). Such notice shall be given at least sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as 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 noncallable Investment Securities which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued thereon and unpaid to the redemption date, all of the Bonds to be so redeemed. The Authority shall promptly notify the Trustee, in writing, of all such payments by it to such Paying Agents.

**Section 403. Redemption Otherwise Than at the Authority's Election or Direction.** Whenever by the terms of this Bond Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, provided that if such redemption is required to be consented to, in writing, by the County, such written consent has been delivered to the Trustee, the Trustee shall (i) select the Bonds or portions of Bonds to be redeemed, (ii) give the notice of redemption, and (iii) pay out of moneys available therefor the Redemption Price thereof, plus interest accrued thereon and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV.

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date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable.

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

**Section 406. Payment of Redeemed Bonds.** Notice having been given in the manner provided in Section 405 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued thereon and unpaid to the redemption date and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued thereon and unpaid to the redemption date. If there shall be called for redemption less than all of a Bond of like Series, the Authority shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, fully registered Bonds of like Series and maturity in any Authorized Denominations.

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ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

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

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

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

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

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

with the proceeds of the Loan and applied pursuant to Section 6.06(B)(i) of the Loan Agreement, and (e) at the option of the Authority at the written direction of the County, any moneys received by the Authority or the County for or in connection with the 2017 Capital Program from any other source, unless required to be otherwise applied in accordance with this Bond Resolution. All amounts in the 2017A Account in the Acquisition Fund shall be applied in the following order and priority: (i) to pay the Costs of the 2017 Capital Program or to reimburse the County for any Costs of the 2017 Capital Program paid by it in accordance with a reimbursement resolution adopted by the County, and (ii) to the extent not otherwise utilized, moneys in the 2017A Account in the Acquisition Fund shall be transferred to the 2017A Account in the Debt Service Fund and applied by the Trustee in accordance with subsection (4) of this Section 503.

3. The Authority shall authorize the Trustee to make payments from the 2017A Account in the Acquisition Fund for the Cost of the 2017 Capital Program in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection (3). Before any such payment shall be made, there shall be filed by the County with the Trustee: a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit B to the Loan Agreement, signed by an Authorized County Representative, stating in respect of each payment to be made (A) the requisition number; (B) that such payment is to be made from the 2017A Account in the Acquisition Fund; (C) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the County for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the County; (D) the amount to be paid, which amount represents the payment due to the Person referenced in clause (C) above, or 100% of the payment previously made by the County; (E) the particular item of Cost to be paid to which the requisition relates; (F) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the 2017 Capital Program, is unpaid or unreimbursed, and is a proper charge against the 2017A Account in the Acquisition Fund and has not been the basis of any previously paid withdrawal or requisition; (G) that the public contracts bidding laws applicable to the contract pursuant to which payment is being requested have been complied with (excluding requisitions for payment of any Project Management Fee), if any; (H) if such payment is a reimbursement to the County for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the County, that the amount to be paid does not exceed the actual cost thereof to the County; (I) that no uncured Event of Default has occurred under the Loan Agreement (as defined under Section 8.01 thereof) or under this Bond Resolution and everything required to be performed by the County has been performed; (J) the County has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition; and (K) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method, arrange to make the payment required by such requisition. The Trustee shall have no obligations hereunder and may rely on the requisition if properly signed.

4. The completion of the 2017 Capital Program by the County shall be evidenced by a certificate or certificates signed by an Authorized County Representative which

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

- (1) Acquisition Fund, including a separate Account established therein for the Series 2017A Bonds and the 2017 Capital Program, to be held by the Trustee, on behalf of the Authority;
- (2) Revenue Fund, including separate Accounts established therein for each Series of the Series 2017 Bonds and for any other Series of Refunding Bonds, to be held by the Trustee, on behalf of the Authority;
- (3) Operating Fund, including separate Accounts established therein for each Series of the Series 2017 Bonds and for any other Series of Refunding Bonds, to be held by the Trustee, on behalf of the Authority;
- (4) Proceeds Fund, including separate Accounts established therein for each Series of the Series 2017 Bonds, to be held by the Trustee;
- (5) Debt Service Fund, including separate Accounts established therein for each Series of the Series 2017 Bonds and for any other Series of Refunding Bonds, to be held by the Trustee, as well as a: (i) Series 2011 Refunded Bonds Redemption Account for the Series 2011 Refunded Bonds; and (ii) Series 2013 Refunded Bonds Redemption Account for the Series 2013 Refunded Bonds, each to be held by the Trustee, as Escrow Agent pursuant to the Letter of Instructions;
- (6) Debt Retirement Fund, including separate Accounts established therein for each Series of the Series 2017 Bonds and for any other Series of Refunding Bonds, to be held by the Trustee; and
- (7) Rebate Fund, including separate Accounts established therein for each Series of the Series 2017 Bonds and for any other Series of Refunding Bonds issued as Tax-Exempt Obligations, to be held by the Trustee, on behalf of the Authority.

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

**Section 503. Acquisition Fund.** 1. There shall be established within the Acquisition Fund a separate Account for the Series 2017A Bonds and the 2017 Capital Program.

2. There shall be paid into such Account (a) the amounts required to be so paid by the provisions of this Bond Resolution, including any proceeds from the Loan in accordance with Section 203(8)(c) hereof, (b) any Proceeds received with respect to the 2017 Capital Program pursuant to Sections 7.06 and 7.07 of the Loan Agreement, (c) amounts received from the County pursuant to Section 4.11 of the Loan Agreement and subsection six (6) of this Section 503, (d) amounts received from the County from the conveyance or exchange of facilities and/or equipment constituting part of the 2017 Capital Program previously acquired

shall be in substantially the form set forth in Exhibit C to the Loan Agreement, and which shall be delivered and filed with the Trustee and the Authority, stating (i) that such 2017 Capital Program is complete or has been substantially completed, (ii) the date of completion of the 2017 Capital Program, (iii) the Cost of all labor, services, materials and supplies used in the 2017 Capital Program have been paid or will be paid from amounts retained by the Trustee, at the County's direction, for any Cost of the 2017 Capital Program and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the 2017 Capital Program or any portion thereof, not then due and payable or, if due and payable, not yet paid, (iv) the 2017 Capital Program is authorized "project" under the Act, and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the 2017 Capital Program have been obtained and are in effect. Upon the filing of such Completion Certificate, the balance in the 2017A Account in the Acquisition Fund in excess of the amount, if any, stated in such Completion Certificate shall be transferred by the Trustee for deposit at the written direction of an Authorized County Representative (a copy of which Completion Certificate shall also be provided by the County to the Authority), in either (i) the 2017A Account in the Debt Retirement Fund for application to the retirement of Series 2017A Bonds by purchase or redemption, or (ii) the 2017A Account in the Debt Service Fund. If, subsequent to the filing of such certificate, it shall be determined that any amounts specified in such certificate as being required for the payment of any remaining part of the Cost of the 2017 Capital Program are no longer so required, such fact shall be evidenced by a certificate or certificates signed by an Authorized County Representative delivered and filed with the Trustee and the Authority stating such fact and the amount no longer required to be paid, and any amount shown therein as no longer being required shall be transferred to the Trustee for application as provided in the preceding sentence. Notwithstanding the foregoing, such Completion Certificate shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being.

5. Any damages or other moneys from any contractor, subcontractor, manufacturer, supplier or any party to any contract for the 2017 Capital Program or its surety due and owing to the County pursuant to Section 5.11 of the Loan Agreement shall be paid to the Trustee for deposit in the 2017A Account in the Acquisition Fund (in accordance with written instructions from the Authority as directed in writing by the County) to complete the 2017 Capital Program. Any such moneys not necessary to complete the 2017 Capital Program or not so applied, as stated in a certificate executed by an Authorized County Representative delivered to the Trustee, shall be transferred by the Trustee to the 2017A Account in the Proceeds Fund and applied as a credit toward the County's Loan Payment obligations with respect to the Series 2017A Bonds on the next succeeding Loan Payment Date, in accordance with Section 507(2) and (3) hereof.

6. (a) In the event the Cost to complete the 2017 Capital Program shall exceed the amount available to the County from the portion of the proceeds of the Loan allocable thereto and in the event the County elects to undertake such remaining portions of the 2017 Capital Program, pursuant to Section 4.11 of the Loan Agreement, the County shall be obligated to pay, as additional payments under Section 5.02(B)(ii) of the Loan Agreement, such sums as may be required to pay the Cost of the 2017 Capital Program in excess of the amount available to the County from the portion of the proceeds of the Loan allocable thereto out of funds legally available therefor. Payment of such additional amounts shall be made by the County at the time or times and in the amount or amounts required for the payment of such excess Cost as the same

becomes due and payable. Such additional moneys shall be paid by the County to the Trustee for deposit in the 2017A Account in the Acquisition Fund and the Trustee shall pay the Cost thereof in accordance with the procedures outlined in Section 4.03 of the Loan Agreement and subsection (3) of this Section 503.

(b) In the event the County pays to the Trustee sums needed to fund the balance of the Cost of the 2017 Capital Program in accordance with the provisions of Section 4.11(A) of the Loan Agreement, the County shall complete Exhibit E attached to the Loan Agreement to reflect (i) the amount of moneys to be withdrawn from the 2017A Account in the Acquisition Fund to pay the Cost of the 2017 Capital Program, (ii) the amount of money forwarded to the Trustee by the County for deposit in the 2017A Account in the Acquisition Fund to make up the deficiency in such Cost of the 2017 Capital Program, and (iii) the total Cost of the item being requisitioned, which certificate shall be signed by an Authorized County Representative and delivered and filed with the Trustee.

7. Prior to the completion of the 2017 Capital Program, the Trustee shall, upon receipt of a requisition signed by an Authorized County Representative, advance moneys on deposit in the 2017A Account in the Acquisition Fund to provide for working capital. The Trustee shall advance such moneys only to the extent that such moneys are not needed to make payment on requisitions for the 2017 Capital Program within the following one hundred twenty (120) days and there are no other funds available to the County for working capital as certified by an Authorized County Representative. Repayment by the County to the Trustee for each such advance is due no later than one hundred twenty (120) days from the date of such advance and the Trustee shall deposit the County's repayment of any such advance in the 2017A Account in the Acquisition Fund.

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

**Section 505. Operating Fund.** 1. Pursuant to an order of the Authority simultaneously delivered to the Trustee upon the original issuance of the Series 2017 Bonds and the initial advance of the Loan and, thereafter, upon the original issuance of any other Series of Refunding Bonds, any proceeds of the Loan and County moneys or Bond proceeds, as the case may be, representing costs of issuance and the Initial Authority Financing Fee shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with subsection (2) of this Section 505.

2. Amounts deposited in the Operating Fund shall be paid out by the Trustee pursuant to written direction of the Authority and the County from time to time for costs of issuance and Authority Administrative Expenses, including expenses incurred by the Authority to perform an arbitrage rebate calculation with respect to any Series of Tax-Exempt Obligations, upon requisition therefor submitted to the Trustee and signed by an Authorized Authority Representative stating: (i) the name of the Person 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

principal thereof and interest thereon) no transfers shall be required to be made from the Revenue Fund to the Debt Service Fund.

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

3. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund, except that (i) such net interest earned on any moneys or investments in the Debt Service Fund shall be held in such Fund for the purposes thereof and shall be paid into such Fund in accordance with the provisions of Section 603(2) hereof and shall be applied in accordance with the provisions hereof; and (ii) interest earned on any moneys or investments in the 2017A Account in the Acquisition Fund shall be held in such Account in the Acquisition Fund until delivery of a Completion Certificate for the 2017 Capital Program as required by Section 503(4) of this Bond Resolution at which time such moneys shall be applied in accordance with Section 603(2) hereof.

**Section 507. Proceeds Fund.** 1. Revenues paid to the Trustee pursuant to Section 4.10 of the Loan Agreement and Section 503(5) hereof and not necessary to complete the 2017 Capital Program or not so applied shall be transferred by the Trustee, upon receipt of a certificate of an Authorized County Representative delivered to the Trustee stating the amount of money to be so transferred, from the 2017A Account in the Acquisition Fund to the 2017A Account in the Proceeds Fund and applied as a credit toward the County's Loan Payment obligations pursuant to subsections (2) and (3) below.

2. Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to Section 5.11 of the Loan Agreement and deposited in the 2017A Account in the Acquisition Fund in accordance with Section 503(5) hereof and not necessary to complete the 2017 Capital Program or not otherwise applied to complete the 2017 Capital Program shall be transferred by the Trustee to the 2017A Account in the Proceeds Fund. Proceeds on deposit in the 2017A Account in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the County on each Loan Payment Date for the payment of Debt Service on the Series 2017A Bonds by the transfer of such proceeds to the 2017A Account in the Debt Service Fund as set forth in a certificate of an Authorized County Representative filed with the Trustee at the time of the deposit of the proceeds into the 2017A Account in the Proceeds Fund. Proceeds representing damages or other moneys provided pursuant to the Series 2011 Loan Agreement (relating to the capital assets financed with the proceeds of the Series 2011 Bonds) or the Series 2013 Loan Agreement (relating to the capital assets financed with the proceeds of the Series 2013 Bonds) shall be deposited by the Trustee to the 2017B Account in the Proceeds Fund and applied by the Trustee as a credit toward the amount of Loan Payments owed by the County on each Loan Payment Date for the payment of Debt Service on the Series 2017B Bonds by the transfer of such proceeds to the 2017B Account in the Debt Service Fund as set forth in a certificate of an Authorized County Representative filed with the Trustee at the time of the deposit of the proceeds or other moneys into the 2017B Account in the Proceeds Fund.

stated amount has been or will be incurred by or on behalf of the Authority and that each item thereof is a proper charge against the Operating Fund and has not been previously paid. To the extent such amounts deposited therein are not spent within ninety (90) days of the Issue Date of the Series 2017 Bonds and any other Series of Refunding Bonds, the Trustee shall, without further direction, deposit in the applicable Account of the Debt Service Fund for such Series of Bonds any balance then remaining for such Series of Bonds unless the County requests, in writing (with a copy to the Authority), that such balance remain in the Operating Fund for an additional period of time as specified in such request.

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

**Section 506. Payments From the Revenue Fund Into Certain Funds.** 1. As soon as practicable after the deposit of Revenues into the Revenue Fund, but in any case no later than 3:00 p.m. on the second Business Day immediately following a Loan Payment Date or after the deposit of any Revenues in the Revenue Fund payable by the County upon demand pursuant to Sections 5.02(A) and (B) of the Loan Agreement, respectively, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows: (a) Revenues representing Loan Payments made by the County pursuant to Section 5.02(A) of the Loan Agreement, the amount of such payment being in accordance with Exhibit A attached to the Loan Agreement, shall be deposited in the applicable Accounts in the Debt Service Fund in accordance with Section 508 hereof or, in the case of any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, to the Debt Retirement Fund, (b) moneys paid by the County pursuant to the Guaranty in accordance with Section 508(2) hereof shall be immediately deposited in the applicable Accounts in the Debt Service Fund, upon the written direction of an Authorized Authority Representative, (c) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06(C)(ii) of the Loan Agreement shall immediately be deposited in the applicable Accounts in the Debt Service Fund and applied in accordance with the provisions of Section 508 hereof, (d) Revenues representing Additional Loan Payments made by the County pursuant to Section 5.02(B) of the Loan Agreement including the annual Authority Administrative Expenses shall immediately be deposited in the applicable Accounts in the Operating Fund and applied in accordance with the provisions of Section 505(3) hereof, and (e) any investment earnings on any moneys held in any Fund and required to be transferred to the Revenue Fund pursuant to the provisions of this Bond Resolution, such that the total balance in each Account in the Debt Service Fund shall equal the Debt Service Requirement on each such Series of Bonds for the next respective succeeding Interest Payment Date and Principal Installment Date, as applicable, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be included in the balance of the Debt Service Fund that amount of such proceeds to be applied in accordance with this Bond Resolution to the payment of interest accrued and unpaid and to accrue on such Series of Bonds to the next Interest Payment Date as set forth in an order of the Authority to the Trustee; provided, however, that so long as there shall be held in the Debt Service Fund an amount sufficient and available to pay in full all Outstanding Bonds of a particular Series in accordance with their terms (including

3. To the extent moneys in the 2017A Account or 2017B Account in the Debt Service Fund, respectively, are sufficient to satisfy the amount of Loan Payments due and owing by the County for such Bond Year, any such proceeds on deposit in the 2017A Account or 2017B Account in the Proceeds Fund, respectively, or any other Revenues deposited therein shall remain in said 2017A Account or 2017B Account in the Proceeds Fund, respectively, and shall be transferred thereafter into the 2017A Account or 2017B Account in the Debt Service Fund, respectively, on each Loan Payment Date for the payment of Debt Service on the respective Series of the Series 2017 Bonds, as the case may be, until such proceeds or any other Revenues are exhausted. The application of such proceeds or any other Revenues deposited therein in accordance herewith shall be credited toward the Loan Payments due and owing from the County in any Bond Year. Any such proceeds or any other Revenues deposited in the 2017A Account or 2017B Account in the Proceeds Fund, respectively, shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized County Representative, in consultation with Bond Counsel.

**Section 508. Debt Service Fund.** 1. Pursuant to Section 506(1)(a) hereof, Revenues representing Loan Payments from the County deposited in the Revenue Fund on any Loan Payment Date shall be transferred to and deposited in the Debt Service Fund not later than 3:00 p.m. on the first Business Day thereafter by the Trustee. Not later than 3:00 p.m. on the first Business Day after any Loan Payment Date, the Trustee shall determine whether the amounts on deposit in the Debt Service Fund, after all Revenues representing Loan Payments from the County originally deposited in the Revenue Fund and transferred to and deposited in the Debt Service Fund in accordance with the provisions hereof, are sufficient to meet the Debt Service Requirement on all Outstanding Bonds for the next succeeding Interest Payment Date and Principal Installment Date, as applicable. Subject to and after the application of the provisions of Section 509 hereof, in the event such amounts in the Debt Service Fund are insufficient to meet such Debt Service Requirement on the Outstanding Bonds, the Trustee shall give written notice thereof, by facsimile transmission in accordance with Section 1312 hereof, to the Authority and the Authorized County Representative of such deficiency no later than 4:00 p.m. on the first Business Day after such Loan Payment Date, which notice shall state the amount of such deficiency as at the close of business on any Loan Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The notice to the Authorized County Representative and the Authority shall also include the amount of the Interest Payment and Principal Installment, as applicable, due and payable and the amount required to be paid by the County to cure such deficiency and to enable the Trustee to make a Debt Service payment on the Outstanding Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. The receipt of any such notice by the Authorized County Representative shall be acknowledged by the Authorized County Representative to the Trustee within one (1) Business Day after receipt thereof. If the nonpayment of the County is not cured by the applicable Interest Payment Date or Principal Installment Date, as applicable, the County, pursuant to the terms of the Guaranty, shall pay to the Trustee, not later than such Interest Payment Date and Principal Installment Date, as applicable, any and all amounts required to pay Debt Service on the Outstanding Bonds.

2. All moneys paid by the County pursuant to the Guaranty shall be immediately deposited in the Debt Service Fund, which moneys shall be applied to the payment

of Debt Service on the Outstanding Bonds on such Interest Payment Date or Principal Installment Date, as applicable.

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

4. The amount, if any, deposited in the Debt Service Fund representing accrued interest, if any, on the proceeds of the Series 2017 Bonds and any other Series of Refunding Bonds, shall be set aside in the Account established for such Series of Bonds in such Fund and applied, in accordance with written instructions of the Authority delivered to the Trustee prior to the authentication of such Series of Bonds, to the payment of accrued interest on such Series of Bonds as the same becomes due and payable.

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

6. The amount, if any, deposited in the 2017A Account in the Debt Service Fund representing capitalized interest on the Series 2017A Bonds, if any, shall be set aside and applied, in accordance with the written instructions of the Authority delivered to the Trustee prior to the authentication of the Series 2017A Bonds, to the payment of interest due thereon on each Interest Payment Date for the period of time specified in such written instructions.

7. Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06 of the Loan Agreement and deposited in the 2017A Account in the Debt Service Fund shall immediately be applied to the payment of Debt Service on the Series 2017A Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. To the extent such moneys cannot be used to pay Debt Service on the Series 2017A Bonds within thirteen (13) months of deposit, such moneys shall be transferred to the 2017A Account in the Proceeds Fund and applied in accordance with the provisions of Section 507(3) hereof.

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

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

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

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

(c) Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Investment Securities defined in clause b.(1) of such definition, as shall be directed by an Authorized Authority Representative, upon written direction of the County, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Fund. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

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

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

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

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

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

4. The transfers required by subsection (1) of this Section 509 shall be made from amounts in the Debt Retirement Fund only to the extent that such amounts are not then required to be applied to the redemption of Bonds of such Series for which notice of redemption shall have been given to the Trustee to Bondholders.

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

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## ARTICLE VI

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

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

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

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

2. All moneys held under this Bond Resolution by the Trustee or any Fiduciary shall be (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 any Federal Reserve Bank, as custodian, as collateral security, such securities as are described in clauses b.(1) and (2) of the definition of "Investment Securities" in Section 101 hereof having a market value at the time of deposit (exclusive of accrued interest) not less than the amount of such moneys, or (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 subsection (2) for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of and interest on any Series of Bonds, or to give security for any moneys which shall be represented by Investment Securities purchased as an investment of such moneys.

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

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

**Section 603. Investment of Certain Funds.** 1. Moneys held in the Revenue Fund or the Debt Service Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in its money market fund as defined in clause b.(1) of the definition of "Investment Securities" in Section 101 hereof, which Investment Securities shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in (i) the 2017A Account in the Acquisition Fund, (ii) the 2017A Account and 2017B Account in the Debt Retirement Fund, (iii) the 2017A Account and 2017B Account in the Proceeds Fund, and (iv) the 2017A Account and 2017B Account in the Operating Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Rebate Fund, if any, shall be invested and reinvested in accordance with the written instructions received from any Authorized Authority Representative, upon the written direction of the County. The Trustee shall make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Authority Representative, upon the written direction of the County. In making any investment in any Investment Securities with moneys in any Fund established under this Bond Resolution, the Authority, upon the written direction of the County, may instruct the Trustee, in writing, to combine such moneys in any other Fund, if permitted hereunder, but solely for purposes of making such investment in such Investment Securities.

2. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned, or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund (except for those amounts specified in clauses (i) and (ii) of Section 506(3) hereof) and applied in accordance with the provisions thereof. The Trustee shall annually notify the County and the Authority, in writing, of such application of such interest and earnings transferred to the Revenue Fund. Interest earned on any moneys or investments in the 2017A Account in the Acquisition Fund shall be held in such 2017A Account until the delivery of a Completion Certificate for the 2017 Capital Program by an Authorized County Representative as required by Section 503(4) of this Bond Resolution at which time such moneys shall be applied in accordance with the provisions of the Completion Certificate.

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

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

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## ARTICLE VII

### LOAN TO THE COUNTY

**Section 701. Terms and Conditions for Loan.** The Authority shall loan the proceeds of the Bonds (including the Series 2017 Bonds) to the County and shall enter into the Loan Agreement in the manner, on the terms and conditions and upon submission of the documents required by this Article VII.

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

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

- (i) an opinion of County Counsel and/or County Bond Counsel to the effect that the Loan Agreement was duly authorized by the County and 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 taxable real property within the jurisdiction of the County, without limitation as to rate or amount;
- (ii) a counterpart of the Loan Agreement executed by the County;
- (iii) certified copies of the Loan Ordinance and the authorization proceedings for its adoption by the County;
- (iv) certified copies of the Guaranty and the authorization proceedings for its adoption by the County; and
- (v) such other certificates, documents, opinions and information as the Authority and Bond Counsel may reasonably require in connection with the execution, delivery and implementation of the Loan Agreement and the issuance of such Series of Bonds.

All opinions and certificates required under this Section 703 shall be dated the closing date of such Series of Bonds and the opinions shall be addressed to the party or parties specified in the bond purchase contract executed by the Authority and the underwriter in connection with the sale and award of such Series of Bonds.

**Section 704. Default Under the Loan Agreement.** The Trustee shall, by 4:00 p.m. on the first Business Day after a Loan Payment Date, immediately notify the Authority and the Authorized County Representative of the Trustee's failure to receive a Loan Payment

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

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

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

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

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

Neither the Authority nor the Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided herein.

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from the County and of any other event of default under the Loan Agreement known to the Trustee pursuant to the terms hereof.

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

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

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

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

**Section 706. Termination of the Loan Agreement.** Upon the payment in full by the County of all amounts due under the Loan Agreement, the Trustee shall, at the written direction of the Authority, undertake such actions as shall be required to effectuate the termination provisions of the Loan Agreement including, without limitation, the execution of all relevant documents in connection with such actions.

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

**Section 708. Insufficiency of or Failure to Make Loan Payments; Payment Under Guaranty.** (a) The Loan Agreement shall provide that the County shall pay on each Loan Payment Date during the Bond Year, Loan Payments which, together with other

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moneys on deposit in the Debt Service Fund, will equal the Debt Service Requirement on the Outstanding Bonds on the next succeeding Interest Payment Date or Principal Installment Date, as applicable, during each Bond Year. The Loan Payments due under the Loan Agreement shall be on deposit in the Revenue Fund not later than the Loan Payment Date.

(b) In accordance with Section 508 hereof and subject to and after application of the provisions of Section 509 hereof, in the event the County has failed to make a Loan Payment on any Loan Payment Date so that the amounts so received by the Trustee and on deposit in the Debt Service Fund are insufficient to meet the Debt Service Requirement on the Outstanding Bonds due on the next ensuing Interest Payment Date or Principal Installment Date, as applicable, the Trustee shall notify the Authority and the Authorized County Representative, in writing by facsimile transmission in accordance with Section 1312 hereof, of such deficiency in accordance with the provisions of Section 508(1) hereof. Notwithstanding the above, failure of the Trustee to give the notices required hereunder and under Sections 508(1) and 704 hereof or any defect in the notice to the County shall not relieve the County of its obligations under the Guaranty and the Loan Agreement.

(c) Pursuant to the terms of the Guaranty, the County shall take all actions necessary and permitted by law, which actions may include *ex parte* actions, to make payment of an amount equal to the Loan Payment deficiency owed by the County, which amount, when added to available amounts on deposit in the Debt Service Fund, shall be sufficient to pay the principal of and interest on the Outstanding Bonds due on the next ensuing Interest Payment Date or Principal Installment Date, as applicable.

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ARTICLE VIII

PARTICULAR COVENANTS OF THE AUTHORITY

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

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

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

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

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

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

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

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

**Section 807. Accounts and Reports.** 1. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, the expenditure of moneys for the 2017 Project and each Fund or Account established under this Bond Resolution. All books and papers of the Authority shall, subject to the terms thereof, at all times, upon prior reasonable written notice to the Authority, during regular business hours, be subject to the inspection of the Trustee, the County and the Holders of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

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

3. The Authority shall cause its books and accounts, including annual balance sheets and statements of income and surplus, to be audited annually by an accountant within one hundred twenty (120) days after the close of its Fiscal Year, and, if requested by the Trustee, to file or cause to be filed with the Trustee, and otherwise as provided by law, a copy of the reports of such audits, including statements in reasonable detail of the status of all funds held by the Trustee pursuant to this Bond Resolution and the security therefor and of the Revenues collected.

4. The Authority shall file or cause to be filed with the Trustee forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in this Bond Resolution, a certificate signed by an Authorized Authority Representative specifying such Event of Default or default and the nature and status thereof.

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

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

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

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

**Section 811. Loan Payments.** Prior to the execution of the Loan Agreement, and in each and every Fiscal Year during which Bonds are Outstanding, the Authority shall at all times establish and collect or cause to be established and collected Loan Payments from the County, 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 Outstanding Bonds for such Fiscal Year; and

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

**Section 812. Acquisition of the 2017 Capital Program and its Operation and Maintenance.** 1. The Authority shall cause the County to acquire, construct and/or install the 2017 Capital Program with due diligence and in a sound and economical manner.

2. The Authority shall at all times cause the County to use the 2017 Capital Program and, in the case of the capital assets financed with the proceeds of the Series 2011 Bonds and the Series 2013 Bonds, to continue to use such capital assets properly and in an efficient and economical manner, consistent with good business practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals thereto.

**Section 813. Maintenance of Insurance.** 1. The Authority shall at all times cause the County (for the benefit of the Authority) to maintain such insurance as shall be required by the respective provisions of the Loan Agreement (relating to the 2017 Capital Program), the Series 2011 Loan Agreement (relating to the capital assets financed with the proceeds of the Series 2011 Bonds) and the Series 2013 Loan Agreement (relating to the capital assets financed with the proceeds of the Series 2013 Bonds).

2. The Authority 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. Upon written request of the Trustee, the Authority shall file or shall cause the County to file with the Trustee annually, within one hundred twenty (120) days after the close of each calendar year, certificates of Authorized Authority Representatives and/or Authorized County Representatives, as the case may be, setting forth a description in reasonable detail of the insurances then in effect with respect to the applicable components of the 2017 Project and certifying that the Authority and/or the County, as the case may be, has complied in all respects with their respective requirements pursuant to this Section 813.

**Section 814. Application of Insurance Proceeds.** The Proceeds of any insurance, including the Proceeds of any condemnation award paid on account of any damage or destruction to the 2017 Capital Program or the capital assets financed with the proceeds of the Series 2011 Bonds and the Series 2013 Bonds or any portion thereof (other than any business interruption loss insurance) shall be applied as set forth in Sections 7.05, 7.06 and 7.07 of the Loan Agreement and Sections 503(5), 506(2) and 507(2) hereof.

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

several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of each Series so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 815; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made under the Loan Agreement or extend the time of payment thereof. The Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity therein, to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Loan Agreement or to provide other changes which will not adversely affect the interest of such Holders. Subsequent to the execution by the Authority and the County of any amendment to the Loan Agreement, a copy thereof, certified by an Authorized Authority Representative, shall be filed with the Trustee in accordance with Section 809 hereof.

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

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

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

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

**Section 818. General.** 1. Upon the date of authentication and delivery of any Series of Bonds, all conditions, acts and things required by law and this Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds, shall exist, have happened and have been performed and the issue of such Series

of Bonds, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

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

**Section 819. Federal Tax Covenants.** The Authority hereby covenants not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Series of Tax-Exempt Obligations. The Authority further covenants that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations which would cause such Series of Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The Authority further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Authority further covenants not to cause the Series 2017 Bonds and any additional Series of Tax-Exempt Obligations to become "private activity bonds" (within the meaning of Section 141 of the Code).

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

**Section 821. Financing Statements.** The Authority hereby authorizes the Trustee to prepare and file such financing statements and continuation statements, if applicable, relating to this Bond Resolution (including, but not limited to, the financing statements with respect to the Series 2017 Bonds) and other documents, and to take such other actions as may be required by law in order to create, perfect and continue the security interest provided for under the State Uniform Commercial Code or other applicable laws of the State or under other state or federal law. The Trustee shall perform or shall cause to be performed any acts, and execute and

cause to be executed any and all further instruments as may be required by law or as shall be reasonably requested for the protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Authority of recording, registering, filing and re-filing of such instrument and of every additional instrument which shall be necessary to preserve the lien and security interest of this Bond Resolution upon the Pledged Property or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid. The Trustee shall file at such time or times and in such place or places as the Trustee may be advised by an opinion of counsel will preserve the lien and security interest of this Bond Resolution upon the Pledged Property or any part thereof until the aforesaid principal and interest shall have been paid.

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ARTICLE IX

REMEDIES OF BONDHOLDERS

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

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

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

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

(iv) if default shall be made by the County pursuant to the Guaranty in the due and punctual payment of principal of and interest on the 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, and such default is not cured by the County by such Interest Payment Date and Principal Installment Date, as applicable; or

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

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

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

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

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

then, in each and every case so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, (a) upon the occurrence of an Event of Default identified in clauses (i), (ii) and (iii) of this Section 901 and if the Guaranty is in full force and effect and no Event of Default under clause (iv) of this Section 901 has occurred or upon the occurrence of any Event of Default contained in this Section 901 and the Guaranty is no longer in full force and effect, either the Trustee may (by notice, in writing, to the Authority), or, upon receipt of direction, in writing, from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding (by notice, in writing, to the Authority and the Trustee), the Trustee shall, declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, anything in this Bond Resolution or in any of the Bonds to the contrary notwithstanding, or (b) upon the occurrence of an Event of Default identified in clauses (v), (vi), (vii), (viii) or (ix) of

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this Section 901 and the Guaranty is in full force and effect and the County is not in default thereunder, the Trustee shall, if so directed in writing by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Bond Resolution or in any of the Bonds contained to the contrary notwithstanding.

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

**Section 902. Accounting and Examination of Records After Default.** 1. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of their agents and attorneys.

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

**Section 903. Application of Pledged Property After Default.** 1. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee or its agent in trust (a) forthwith, all Pledged Property then held by the Authority 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.

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

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

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

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

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

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

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

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

**Section 904. Proceedings Brought by Trustee.** 1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding so in default shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds so in default under this Bond Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Bond Resolution.

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

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

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

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of fifty-one percent (51%) in principal amount of the Bonds so in default then Outstanding and furnished with adequate security and indemnity satisfactory to the Trustee, shall be under no obligation to, institute and maintain such

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

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

**Section 909. Notice to Trustee to Exercise Remedies Under the Loan Agreement.** The Authority covenants that if an Event of Default under the Loan Agreement shall occur and be continuing, it will not exercise any of such remedies set forth in the Loan Agreement without written consent of the Trustee thereto, which consent shall not be unreasonably withheld.

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suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Bond Resolution by any acts which may be unlawful or in violation of this Bond Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

**Section 905. Restrictions on Bondholder's Action.** 1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Bond Resolution or the execution of any trust under this Bond Resolution or for any remedy under this Bond Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article IX, and the Holders of at least fifty-one percent (51%) in principal amount of the Bonds so in default then Outstanding shall have filed a written request with the Trustee and shall have offered it reasonable opportunity either to exercise the powers granted in this Bond Resolution or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to the Trustee against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of thirty (30) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Bond Resolution, or to enforce any right under this Bond Resolution, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Bond Resolution shall be instituted, had and maintained in the manner provided in this Bond Resolution and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 902 hereof.

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

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

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

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## ARTICLE X CONCERNING THE FIDUCIARIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Section 1009. Appointment of Successor Trustee.** 1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Authority by a duly executed written instrument signed by an Authorized Authority Representative, but if the Authority does not appoint a successor Trustee within sixty (60) days after written notice thereof to the Authority, then by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments, in writing, signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification

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

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

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

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

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ARTICLE XI

SUPPLEMENTAL RESOLUTIONS

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

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

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

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

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

(5) Notwithstanding any other provisions of this Bond Resolution, to authorize a Series of Bonds having terms and provisions different than the terms and provisions theretofore provided in this Bond Resolution including, but not limited to, provisions relating to the timing of the payment of interest, maturity amounts and valuation as of a given time, and authorizing the form of the bond for such Series of Bonds; provided that the authorization and issuance of such Series of Bonds shall not in any manner impair or adversely affect the rights or security of the Bondholders under this Bond Resolution; or

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

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

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

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

**Section 1102. Supplemental Resolutions Effective Upon Consent of Trustee and 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 of a copy thereof certified by an Authorized Authority Representative, and (ii) the filing with the Trustee and the Authority of instruments in writing made by the Trustee 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

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

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

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

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

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

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

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ARTICLE XII

AMENDMENTS

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

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

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

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

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

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

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

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

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

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### ARTICLE XIII

#### MISCELLANEOUS

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

2. Principal and/or interest installments for the payment or redemption of which moneys or Investment Securities shall have been set aside and shall be held in trust by the Trustee or Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1301. Subject to the provisions of subsection (3) through subsection (5) of this Section 1301, all Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1301 if (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 to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on or prior to the redemption or maturity date thereof, as the case may be, and (b) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail as provided in Article IV hereof a notice to the Holders of such Bonds that the deposit required by subclause (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 subsection (6) of this Section 1301, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds, and (c) in case any of said Bonds are to be redeemed on any date prior to their maturity,

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the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail as provided in Article IV hereof notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date. Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. For purposes of this Section 1301 only, the term Investment Securities shall mean only those Investment Securities described in clause b.(1) of the definition of "Investment Securities" contained in Section 101 hereof unless the Authority shall have received written confirmation from Moody's, if the Bonds are then rated by Moody's, S&P, if the Bonds are then rated by S&P, and Fitch, if the Bonds are then rated by Fitch, that defeasance with Investment Securities other than those described in such clause b.(1) of the definition of "Investment Securities" will result in the Bonds being rated in the highest investment grade or category of each such rating agency. The Trustee shall, if so directed by the Authority prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or prior to the maturity date of any Bonds deemed to have been paid in accordance with this Section 1301 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient (as verified by an independent certified public accountant, as stated in a verification report addressed to the Authority, the County and the Trustee) to pay when due the Principal Installment, redemption premium, if any, and interest due or to become due on all Bonds, in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or Bonds which are to be redeemed prior to their maturity date, the Authority shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301. The directions given by the Authority to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 1301 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 1301 such amount is in excess (as verified by an independent certified public accountant addressed to the Authority, the County and the Trustee) of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy subclause (a) of this subsection (2) of Section 1301, the Trustee shall, upon written direction of the Authority and after payment of all unpaid Authority Administrative Expenses and amounts due pursuant to this Bond Resolution and the Loan Agreement, if any, pay the amount of such excess to the

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

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

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payable, at their stated maturity dates, if such moneys were held by the Fiduciary at such date, or for four (4) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, upon written direction of the Authority and after payment of all unpaid Authority Administrative Expenses and amounts due pursuant to this Bond Resolution and the Loan Agreement, if any, be paid by the Fiduciary to the County, 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 County for the payment of such Bonds; provided, however, that before being required to make any such payment to the County the Fiduciary shall, at the written direction of the Authority and at the expense of the County, 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 County, subject to the hereinabove stated conditions and except as set forth in subsection (2) below.

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

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

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

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

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Investment Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

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

5. In the event that after compliance with the provisions of subsection (4) of this Section 1301 the Investment Securities described in clause (z) of subsection (2) of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of subclause (a) of subsection (2) of this Section 1301, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1301 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of subsection (2) of this Section 1301 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change or redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Securities on deposit with the Trustee including any Investment Securities or redemption proceeds in accordance with subsection (5) of this Section 1301 pursuant to subclause (a) of subsection (2) of this Section 1301 would be sufficient to pay when due the principal or Redemption Price of, and interest on all Bonds deemed to have been paid in accordance with subsection (2) of this Section 1301 which have not as yet been paid.

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

**Section 1302. Unclaimed Funds.** 1. Anything in this Bond Resolution to the contrary notwithstanding, but subject to any provision of State or Federal law to the contrary, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for four (4) years after the date when such Bonds have become due and

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association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

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

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

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

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

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

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

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this Bond Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the County, the Fiduciaries and the Holders of the Bonds.

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

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

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

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

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

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

**Section 1312. Notices and Demands.** All notices, demands or other communications provided for in this Bond Resolution shall be in writing and shall be sent by facsimile transmission (confirmed, in writing, and hard copy to follow in the manner prescribed below) or shall be delivered personally, sent by certified or registered mail or by recognized overnight mail, to (i) the County at Camden County Board of Chosen Freeholders, City Hall, 8<sup>th</sup> Floor, 520 Market Street, Camden, New Jersey 08102, Attn: Clerk of the Board of Chosen Freeholders and Chief Financial Officer of the County, Fax Nos. (856) 225-5574 and (856) 225-5298, respectively; (ii) the Authority at The Camden County Improvement Authority, 2220 Voorhees Town Center, Voorhees, New Jersey 08043, Attn: Executive Director, Fax No. (856) 566-3105; (iii) the Trustee at TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034, Attn: Corporate Trust Services, Fax No. (856) 482-5706; and (iv) Bond Counsel to the Authority, Parker McCay P.A., 9000 Midlantic Drive, Suite 300, Mount Laurel, New Jersey 08054, Attn: Philip A. Norcross, Esq., Fax No. (856) 988-8167; or to such other representatives or addresses as the Authority, the County, the Trustee or Bond Counsel may from time to time designate by written notice to the parties hereto or beneficiaries hereof in accordance with this Section 1312.

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

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

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**ARTICLE XIV  
BOND FORM AND EFFECTIVE DATE**

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

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**UNITED STATES OF AMERICA  
STATE OF NEW JERSEY  
THE CAMDEN COUNTY IMPROVEMENT AUTHORITY  
COUNTY GUARANTEED LOAN REVENUE [REFUNDING] BONDS  
[(COUNTY CAPITAL PROGRAM), SERIES A OF 2017], [SERIES B OF 2017]**

**No. R-**  
**INTEREST RATE** \_\_\_\_\_ **CUSIP NUMBER**  
% \_\_\_\_\_ 13281K \_\_\_\_\_  
**MATURITY DATE** \_\_\_\_\_ **DATED DATE** \_\_\_\_\_ **AUTHENTICATION DATE**  
January 15, 20\_\_ November 7, 2017 November 7, 2017  
**REGISTERED OWNER:** Code & Co.  
**PRINCIPAL SUM:** \_\_\_\_\_ (DOLLARS)

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY, in the County of Camden, State of New Jersey ("Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey ("State"), acknowledges itself indebted and for value received hereby promises to pay to the REGISTERED OWNER stated above, or registered assigns, the PRINCIPAL SUM stated above, on the MATURITY DATE stated above or on the date fixed for redemption, as the case may be, together with interest on such PRINCIPAL SUM from the date of this Series 2017[A][B] Bond (as hereinafter defined) until the Authority's obligation with respect to the payment of such PRINCIPAL SUM shall be discharged, at the INTEREST RATE per annum stated above on the fifteenth days of January and July, commencing January 15, 2018. This Series 2017[A][B] Bond, as to principal, when due, will be payable at the principal corporate trust office of TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey. Interest on this Series 2017[A][B] Bond will be payable by check which will be mailed to the REGISTERED OWNER hereof whose name shall appear on the registration books of the Authority which shall be kept and maintained by the Bond Registrar hereinafter mentioned, as determined on the first day of January and July (whether or not a Business Day) ("Record Date"); provided, however, that a REGISTERED OWNER of \$1,000,000 or more in principal amount of the Series 2017[A][B] Bonds shall be entitled, upon three (3) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds. Payment of the principal of and interest on this Series 2017[A][B] Bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This bond is one of the duly authorized issue of a Series of [revenue bonds][revenue refunding bonds], each designated as ["County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017"] ["County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017"] ("Series 2017[A][B] Bonds" or "Bonds") of the Authority, limited to the aggregate principal amount of \$ [ ] and authorized and issued, together with the Series of [revenue refunding bonds][revenue bonds], each designated as ["County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017"] ["County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017"] ("Series 2017[B][A] Bonds" and together with the Series 2017[A][B] Bonds, the "Series 2017 Bonds") of the Authority, limited to the aggregate principal amount of \$ [ ], under and pursuant to the County Improvement Authorities Law, P.L. 1960, c.183, as amended ("Act"), and under and in accordance with a resolution of the Authority duly adopted September 14, 2017 entitled, "Resolution of The Camden County Improvement Authority Authorizing the Issuance of County Guaranteed Loan Revenue Bonds and County Guaranteed Loan Revenue Refunding Bonds" ("Bond Resolution"), a resolution of the Authority duly adopted September 14, 2017 entitled, "Resolution of The Camden County Improvement Authority With Respect to the Delegation of the Power to Sell and to Award County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017 and County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017 of the Authority, Authorizing Certain Actions, Approving Certain Documents and Determining Other Matters in Connection With the Issuance and Sale of the Bonds" ("Delegation Resolution") and an Award Certificate (the Bond Resolution, the Delegation Resolution and the Award Certificate are hereinafter collectively referred to as the "Resolution"). Copies of the Resolution are on file in the office of the Authority, 2220 Voorhees Town Center, Voorhees, New Jersey and at the principal corporate trust office of TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey ("Trustee"), as trustee under the Bond Resolution.

This Series 2017[A][B] Bond is a direct, limited and special obligation of the Authority payable from the Revenues and equally secured, together with the Series 2017[B][A] Bonds, by a parity lien on the Pledged Property (as defined in the Resolution) of the Authority and from any other moneys pledged therefor under the Resolution; provided, however, that the power and obligation of the Authority to cause application of such Pledged Property and other funds to the payment of the principal or Redemption Price of and the interest on the Series 2017[A][B] Bonds is subject to the terms of the Resolution. This Series 2017[A][B] Bond is also an obligation which is entitled to the benefit of a guaranty of the County of Camden, New Jersey ("County") authorized pursuant to a resolution of the County duly adopted on September 21, 2017 ("Guaranty"), which Guaranty secures the punctual payment when due of the principal of and interest on the Series 2017 Bonds.

The Series 2017[A][B] Bonds are issued in the form of Registered Bonds, without coupons, in book-entry only form in the denomination of \$5,000 each or any integral multiple thereof.

As defined in the Resolution, and for purposes of this Series 2017[A][B] Bond, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Bond Registrar, any Paying Agent, the County or the Authority is legally authorized to close. All other terms used herein which are not defined shall have the meanings ascribed to such terms in the Resolution.

2017[A][B] Bonds to be redeemed, the Redemption Price, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2017[A][B] Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2017[A][B] Bonds so to be redeemed, and, in the case of the Series 2017[A][B] Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2017[A][B] Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of the Series 2017[A][B] Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNERS of any Series 2017[A][B] Bonds or portions of the Series 2017[A][B] Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure to give notice by mail, or any defect in notice to the REGISTERED OWNER of any Series 2017[A][B] Bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Series 2017[A][B] Bonds.

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

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

If, on the redemption date, moneys for the redemption of all the Series 2017[A][B] Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Series 2017[A][B] Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such notice of redemption shall be rescinded by the Trustee and shall be deemed to be null and void as if never given and such Series 2017[A][B] Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

Pursuant to the Bond Resolution, the Authority may hereafter issue Refunding Bonds (in addition to the Series 2017B 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 the Series 2017 Bonds and other Series of 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 Authority in the manner and subject to the

The Series 2017[A][B] Bonds maturing before January 15, 20\_\_ shall not be subject to optional redemption prior to maturity. The Series 2017[A][B] Bonds maturing on or after January 15, 20\_\_ shall be subject to redemption at the option of the Authority, to be exercised upon receipt of notice of prepayment from the County in accordance with the terms of the Loan Agreement, on or after January 15, 20\_\_, in whole at any time or in part on any Interest Payment Date, by lot, at the Redemption Prices (expressed as a percentage of the principal amount thereof being redeemed) shown below (plus interest accrued to the date of redemption):

Redemption Dates (Dates Inclusive)	Redemption Price
---------------------------------------	---------------------

**Sinking Fund Redemption.** The Series 2017[A][B] Bonds maturing on January 15, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued to the redemption date, on the following dates in the respective principal amounts set forth opposite such dates:

January 15 of the Year	Principal Amount
	\$

\* Final maturity.

Unless otherwise provided in the Resolution, if less than all of the Series 2017[A][B] Bonds of like maturity shall be called for prior redemption, the particular Series 2017[A][B] Bonds or portions of such Series 2017[A][B] Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee, in its sole discretion, may deem fair and appropriate; provided, however, that the portion of any such Series 2017[A][B] Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Series 2017[A][B] Bonds for redemption, the Trustee shall treat each such Series 2017[A][B] Bond as representing that number of Series 2017[A][B] Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Series 2017[A][B] Bond to be redeemed in part.

When the Trustee shall receive notice from the Authority of its election or direction to redeem the Series 2017[A][B] Bonds pursuant to Section 402 of the Bond Resolution, including written notice from the County whose consent is required to effectuate the redemption of the Series 2017[A][B] Bonds, and when redemption of the Series 2017[A][B] Bonds is authorized or required pursuant to Section 403 of the Bond Resolution and the Trustee shall have received written notice from the County of its consent to the redemption of the Series 2017[A][B] Bonds, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2017[A][B] Bonds, which notice shall specify the maturities of the Series

conditions and exceptions which are set forth in the Bond Resolution. The pledge of the Pledged Property and other obligations of the Authority under the terms of the Bond Resolution may be discharged at or prior to the maturity or redemption of the Series 2017[A][B] Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This Series 2017[A][B] Bond is transferable, as provided in the Bond Resolution, only upon the registration books of the Authority which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey ("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 Authority shall issue in the name of the transferee a new registered Series 2017[A][B] Bond or Series 2017[A][B] Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Series 2017[A][B] Bond as provided in the Bond Resolution, upon payment of the charges therein prescribed. The Authority, the Trustee, the Bond Registrar and any Paying Agent of the Authority may treat and consider the Person in whose name this Series 2017[A][B] Bond is registered as the Holder and absolute Owner of this Series 2017[A][B] Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes whatsoever.

Reference to the Bond Resolution, the Delegation Resolution, the Award Certificate, the Loan Agreement, the Guaranty and the Act is made for a description of the nature and extent of the security for the Series 2017[A][B] Bonds, the Pledged Property, the Funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Series 2017[A][B] Bonds with respect thereto, the terms and conditions upon which the Series 2017[A][B] Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority, the County and the Trustee.

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE SERIES 2017[A][B] BONDS SHALL BE LIABLE PERSONALLY ON THE SERIES 2017[A][B] BONDS BY REASON OF THE ISSUANCE THEREOF.

THE SERIES 2017[A][B] BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY RELATING SOLELY TO THE PLEDGED PROPERTY, AND AS APPLICABLE UNDER AND LIMITED BY THE LOAN AGREEMENT AND THE GUARANTY, THE COUNTY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION (OTHER THAN THE AUTHORITY RELATING SOLELY TO THE PLEDGED PROPERTY, AND AS APPLICABLE UNDER AND LIMITED BY THE LOAN AGREEMENT AND THE GUARANTY, THE COUNTY), EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE SERIES 2017[A][B] BONDS FROM



THE REVENUES AND FUNDS PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COUNTY, AS APPLICABLE, UNDER AND LIMITED BY THE LOAN AGREEMENT AND THE GUARANTY), IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017[A][B] BONDS. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified and recited that all conditions, acts and things which are required by the Constitution or by the statutes of the State or by the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2017[A][B] Bond exist, have happened and have been performed and that the Series 2017[A][B] Bonds, together with all other indebtedness of the Authority, are within every debt and other limit prescribed by said Constitution or statutes.

This Series 2017[A][B] Bond shall not be entitled to any security or benefit under the terms of the Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been manually executed by the Trustee upon original issuance and thereafter by the Bond Registrar.

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IN WITNESS WHEREOF, THE CAMDEN COUNTY IMPROVEMENT AUTHORITY has caused this Series 2017[A][B] Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman and its corporate seal to be affixed, impressed or reproduced hereon, and this Series 2017[A][B] Bond and such seal to be attested by the manual or facsimile signature of its Secretary, all as of the DATED DATE set forth above.

ATTEST: THE CAMDEN COUNTY IMPROVEMENT AUTHORITY

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

[SEAL]

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**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ [PLEASE PRINT OR TYPE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NO. OF ASSIGNEE] the within Series 2017[A][B] Bond and all rights hereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, as Attorney, to transfer the within Series 2017[A][B] Bond on the registration books of The Camden County Improvement Authority with full power of substitution and revocation.

NOTICE: The signature to this assignment must correspond with the name of the REGISTERED OWNER hereof as it appears upon the face of the within Series 2017[A][B] Bond in every particular, without alteration or enlargement or any change whatsoever.

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

SIGNATURE GUARANTEE:  
(Medallion Guarantee Program Stamp)

\_\_\_\_\_

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

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the issue of [County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017][County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017] of The Camden County Improvement Authority, described and delivered pursuant to the within-mentioned Bond Resolution and being dated November 7, 2017.

TD BANK, NATIONAL ASSOCIATION, as  
[Trustee]  
[Bond Registrar]

By: \_\_\_\_\_  
Authorized Signature

**Section 1403. Form of Guaranty.** The form of Guaranty which shall appear on each Series of the Series 2017 Bonds shall be substantially as follows:

**"GUARANTY OF THE COUNTY OF CAMDEN IN THE STATE OF NEW JERSEY**

The payment of the principal of and interest on the within Series 2017[A][B] Bond is hereby FULLY, UNCONDITIONALLY AND IRREVOCABLY GUARANTEED by the County of Camden in the State of New Jersey ("County"), and the County is unconditionally and irrevocably liable for the payment, when due, of the principal of and interest on this Series 2017[A][B] Bond.

IN WITNESS WHEREOF, the County of Camden in the State of New Jersey has caused this Guaranty to be executed by the manual or facsimile signature of its Freeholder-Director.

COUNTY OF CAMDEN IN THE STATE OF  
NEW JERSEY

By: \_\_\_\_\_  
Freeholder-Director"

**Section 1404. Effective Date.** This Bond Resolution shall take effect upon adoption in accordance with the Act, specifically *N.J.S.A. 40:37A-50(7)(c)*; 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*.

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MOTION: Mr. Schosley

SECOND: Mr. Stevenson

RECORDED VOTE

AYES: Mr. Robren  
Mr. Schosley  
Mr. Stevenson  
Mr. Stevenson

ABSTAIN: None

NAYES: Chairman Hussey  
None

ABSENT: None

The foregoing is a true copy of a Bond Resolution adopted by the governing body of THE CAMDEN COUNTY IMPROVEMENT AUTHORITY at a meeting thereof duly called and held on September 14, 2017.

  
CHRISTOPHER ORLANDO  
Executive Director/Secretary  
The Camden County Improvement Authority

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**LOAN AND SECURITY AGREEMENT**

**BY AND BETWEEN**

**THE CAMDEN COUNTY IMPROVEMENT AUTHORITY**

**AND**

**COUNTY OF CAMDEN, NEW JERSEY**

**DATED AS OF NOVEMBER 1, 2017**

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THIS LOAN AND SECURITY AGREEMENT, dated as of November 15, 2017, by and between The Camden County Improvement Authority, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of Chosen Freeholders of the County of Camden, New Jersey ("County") adopted on March 20, 1979, and any successor to its duties and functions ("Authority"), and the County, a body politic and corporate of the State (together with any supplements and amendments hereto, collectively, the "Loan Agreement").

**WITNESSETH:**

WHEREAS, the Authority is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State, as amended and supplemented (*N.J.S.A. 40:37A-44 et seq.*) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

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

WHEREAS, the Authority has determined, pursuant to the Act, to finance the 2017 Project (as hereinafter defined); and

WHEREAS, all actions necessary and required under the Act for the approval of the 2017 Project, including, without limitation, obtaining the consent of the County to undertake the financing and the consent of the County to the guaranty of the Series 2017 Bonds (as hereinafter defined) and the review of and consent to such financing and such guaranty by the Local Finance Board of the Division of Local Government Services, State Department of Community Affairs, have been and/or will have been taken prior to the issuance of the Series 2017 Bonds; and

WHEREAS, the Authority will, pursuant to the Act, provide for the financing of the Costs (as hereinafter defined) of the 2017 Project by the issuance of the Series 2017 Bonds and the lending of the proceeds thereof to the County pursuant to the terms and conditions set forth in the Bond Resolution (as hereinafter defined) and in this Loan Agreement; and

WHEREAS, pursuant to the terms of this Loan Agreement, the County is required to make the Loan Payments (as hereinafter defined) to the Authority on each Loan Payment Date (as hereinafter defined) in an amount equal to the debt service on the Series 2017 Bonds due on the immediately succeeding Interest Payment Date (as hereinafter defined) or Principal Installment Date (as hereinafter defined), as the case may be; and

WHEREAS, the County has authorized the performance of its obligations under: (i) the Guaranty (as hereinafter defined), including the repayment of any Series 2017 Bonds issued by the Authority, through the adoption of the Guaranty; and (ii) this Loan Agreement and the Continuing Disclosure Agreement (as hereinafter defined) through the adoption of the Loan Ordinance (as hereinafter defined); and

WHEREAS, the: (i) Series 2017A Bonds will be issued pursuant to the provisions of Sections 201, 202 and 203 of the Bond Resolution; and (ii) Series 2017B Bonds will be issued as a Series of Refunding Bonds (as hereinafter defined) pursuant to the provisions of Sections 201, 202, 203 and 205 of the Bond Resolution.

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

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**ARTICLE I**

**DEFINITIONS AND GENERAL PROVISIONS**

**SECTION 1.01. Definitions.** The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Loan Agreement unless the context clearly indicates some other meaning. Terms used herein and not defined herein shall have the meanings ascribed thereto in the Bond Resolution. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

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

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

**Act** shall have the meaning set forth in the Recitals to this Loan Agreement.

**Additional Loan Payments** shall mean any and all amounts payable by the County to the Authority pursuant to this Loan Agreement including, but not limited to, Section 5.02(B) hereof representing additional Costs of the 2017 Capital Program undertaken by the County pursuant to Section 4.11 of this Loan Agreement, and the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of the Bond Resolution, this Loan Agreement and the Guaranty, including reasonable attorneys' fees related hereto and thereto.

**Annual Authority Administrative Fee** shall mean, with respect to: (i) the Series 2017 Bonds, the annual fee for the general administrative expenses of the Authority, due on each anniversary of the Issue Date until such time as the Series 2017 Bonds are no longer Outstanding, in the amount set forth in the Award Certificate executed by an Authorized Authority Representative in connection with the sale and award of the Series 2017 Bonds; and (ii) any Series of Refunding Bonds (excluding the Series 2017B Bonds), the amount specified in the applicable Supplemental Resolution authorizing such Series of Refunding Bonds or the Award Certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Refunding Bonds.

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

**Authority** shall have the meaning set forth in the Recitals to this Loan Agreement.

**Authority Administrative Expenses** shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under the Bond Resolution, the Guaranty and this Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) the Project Management Fee with respect to the 2017 Capital Program; (iv) all fees and expenses including,

but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the 2017 Project or the compelling of the full and punctual performance of the Bond Resolution, the Guaranty and this Loan Agreement in accordance with the terms hereof and thereof; (v) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries, Escrow Agent for the Series 2013 Refunded Bonds and any escrow agent for any other series of Refunding Bonds, and others; (vi) the Authority's construction monitoring fee set forth in the Award Certificate for the Series 2017A Bonds, if any; and (vii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar, the Trustee or the Escrow Agent for the Series 2013 Refunded Bonds and any escrow agent for any other series of Refunding Bonds, and others or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under the Bond Resolution, the Guaranty and this Loan Agreement, all to the extent not capitalized pursuant to the requirements of the Bond Resolution, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the County.

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

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

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

**Bond** or **Bonds** shall mean, collectively: (i) the Series 2017A Bonds issued pursuant to Sections 201, 202 and 203 of the Bond Resolution to provide funds to finance the Costs of the 2017 Capital Program; (ii) the Series 2017B Bonds issued as a Series of Refunding Bonds pursuant to Sections 201, 202, 203 and 205 of the Bond Resolution to provide funds to finance the Series 2013 Refunding Program, and (iii) any other Refunding Bonds.

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

**Bond Resolution** shall mean the resolution adopted by the Authority on September 14, 2017 entitled, "Resolution of The Camden County Improvement Authority Authorizing the Issuance of County Guaranteed Loan Revenue Bonds and County Guaranteed Loan Revenue Refunding Bonds," as the same may be amended, modified and supplemented in accordance with the provisions thereof and pursuant to the provisions of the Award Certificate

executed by the Executive Director of the Authority in connection with the issuance of each Series of Bonds, including the Series 2017 Bonds.

**Bond Year** shall mean, with respect to each Series of the Series 2017 Bonds, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity dates of the respective Series of the Series 2017 Bonds or the date that is five (5) years after the Issue Date in the case of the Series 2017 Bonds, Bond Years shall end on each anniversary of the Issue Date and on the final maturity dates of the respective Series of the Series 2017 Bonds. For each Series of Refunding Bonds (excluding the Series 2017B Bonds), Bond Year shall be designated in the Supplemental Resolution pursuant to which such Series of Refunding Bonds is issued.

**Bondholder, Holder, Holder of Bonds, or Owner** 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, any Paying Agent, the County or the Authority 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.

**Completion Certificate** shall mean the certificate described in Section 4.05 hereof, executed by the County, wherein, with respect to the 2017 Capital Program, the County certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 503(4) of the Bond Resolution.

**Completion Date** shall mean the date of completion of the 2017 Capital Program, as stated in the County's Completion Certificate described in Section 4.05 hereof.

**Continuing Disclosure Agreement** shall have the meaning given to such term in Section 5.14 of this Loan Agreement.

**Cost or Costs** shall mean and shall be deemed to include, with respect to the 2017 Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Loan Agreement, (a) the costs of payment of, or reimbursement for, the acquisition, construction, equipping and furnishing of the 2017 Capital Program including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2017 Capital Program, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to the Bond Resolution, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges

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of the Authority, including but not limited to the Project Management Fee for the 2017 Capital Program, if any, and of the County, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing, subject to any limitations as to amount imposed by the provisions of the Code; (b) all other costs which the County or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, equipping and furnishing of the 2017 Capital Program including, but not limited to, the cost of insurance; (c) any sums required to reimburse the County for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2017 Capital Program; (d) deposits in any Fund or Account under the Bond Resolution, all as shall be provided in the Bond Resolution; and (e) such other expenses not specified herein or in the Bond Resolution as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the 2017 Capital Program, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the costs and expenses incurred by any agent of the Authority or the County for any of the above-mentioned items or in connection with the administration and enforcement of the Bond Resolution, the Guaranty, the Continuing Disclosure Agreement and this Loan Agreement.

**County** shall have the meaning set forth in the Recitals to this Loan Agreement.

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

**Debt Service** for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including each Series of the Series 2017 Bonds, an amount equal to the sum of (i) the interest accruing during such period on each such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the applicable Account in the Debt Service Fund; and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

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

**Debt Service Requirement** with respect to the next Interest Payment Date for any Series of Bonds shall mean (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, plus the Principal Installment

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or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

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

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

**Delegation Resolution** shall mean that resolution adopted by the Authority on September 14, 2017 authorizing, *inter alia*, the execution and delivery of this Loan Agreement, the Award Certificate or Award Certificates and a purchase contract or purchase contracts with the Underwriter for the sale of the Series 2017 Bonds at one or more times and in one or more Series, which resolution shall not constitute a Supplemental Resolution under the Bond Resolution.

**Division** shall mean the Division of Responsible Party Site Remediation of the NJDEP or any other division of NJDEP responsible for review of environmental cleanup plans.

**ECRA** shall mean the Environmental Cleanup Responsibility Act, *N.J.S.A.* 13:1K-6 *et seq.*, and the regulations promulgated thereunder.

**Environmental Laws** shall mean federal, State and local laws and regulations, judgments, orders and permits governing the protection of the environment including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 *U.S.C.* §9601 *et seq.*), the Resource, Conservation and Recovery Act, as amended (42 *U.S.C.* §6901 *et seq.*), the Clean Air Act (42 *U.S.C.* §7401 *et seq.*), the Toxic Substances Control Act (15 *U.S.C.* §2601 *et seq.*), and Safe Drinking Water Act (42 *U.S.C.* §§300f through 300j), ECRA, the New Jersey Spill Compensation and Control Act (*N.J.S.A.* 58:10-23.11 *et seq.*), and any subsequently enacted statutory provisions authorizing equivalent causes of action for claims arising from or related to releases, discharges, threatened releases, or threatened discharges of Hazardous Wastes.

**Equipment** shall mean, for purposes of Section 4.12 of this Loan Agreement, the Items of equipment constituting the 2017 Capital Program described in Exhibit G hereto, as Exhibit G is amended, supplemented and restated from time to time in connection with the acquisition and installation by the County of any equipment as permitted hereunder in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, any equipment then described in Exhibit G hereto.

**Escrow Agent** shall mean TD Bank, National Association, the trustee for the Series 2013 Bonds.

**Escrow Deposit Agreement** shall mean the Escrow Deposit Agreement, dated as of November 1, 2017, by and between the Authority and the Escrow Agent, in connection with the 2017 Refunding Project.

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**Event of Default** shall mean a "default" or an "Event of Default" as defined in Section 8.01 hereof but not as defined in Section 901 of the Bond Resolution.

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

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

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

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

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

**Guaranty** shall mean the County's unconditional and irrevocable guaranty of the punctual payment when due of the principal of and interest on the Series 2017 Bonds duly adopted on September 19, 2017 pursuant to Section 37 of the Act (*N.J.S.A.* 40:37A-80), and entitled "RESOLUTION OF THE COUNTY OF CAMDEN IN THE STATE OF NEW JERSEY AUTHORIZING A GUARANTEE BY THE COUNTY OF THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE 'COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES A OF 2017' AND 'COUNTY GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES B OF 2017' TO BE ISSUED BY THE CAMDEN COUNTY IMPROVEMENT AUTHORITY FOR THE PURPOSES OF (A) FINANCING THE ACQUISITION AND INSTALLATION OF CERTAIN CAPITAL EQUIPMENT AND THE CONSTRUCTION OF CERTAIN CAPITAL INFRASTRUCTURE IMPROVEMENTS IN, BY AND FOR THE COUNTY AND (B) ADVANCE REFUNDING ALL OR A PORTION OF THE CALLABLE MATURITIES OF THE AUTHORITY'S OUTSTANDING COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES 2011 AND THE AUTHORITY'S OUTSTANDING COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES 2013," as the same may be amended and supplemented in connection with the issuance of any other Series of Refunding Bonds pursuant to the provisions of the Bond Resolution.

**Hazardous Wastes** shall have the meaning set forth in Section 2.01(M) hereof.

**Improvements** shall mean, for purposes of Section 4.12 of this Loan Agreement, the Items of capital improvements constituting the 2017 Capital Program described in Exhibit G

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hereto, as Exhibit G is amended, supplemented and restated from time to time in connection with the construction by the County of any capital improvement 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 G hereto.

Initial Authority Financing Fee shall mean, with respect to: (i) the Series 2017 Bonds, the aggregate amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants adopted by resolution of the Authority dated April 11, 2002, as amended and supplemented, and as set forth in the Award Certificate executed by an Authorized Authority Representative in connection with the sale and award of the Series 2017 Bonds; and (ii) any other Series of Refunding Bonds, the amount specified in the applicable Supplemental Resolution authorizing such Series of Refunding Bonds or the Award Certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Refunding Bonds.

Interest Payment Date shall mean: (i) with respect to the Series 2017 Bonds, each January 15 and July 15, commencing January 15, 2018, or such other date or dates as provided for in the Award Certificate for the Series 2017 Bonds; and (ii) such other dates as shall be established by a Supplemental Resolution authorizing any other Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

Issue Date shall mean, with respect to: (i) each Series of the Series 2017 Bonds, November 15, 2017; and (ii) any other Series of Refunding Bonds, the date on which the Trustee authenticates such other Series of Refunding Bonds and on which such other Series of Refunding Bonds are delivered to the purchasers thereof upon original issuance.

Item shall mean a particular Item of Equipment or specific Improvement, provided however that each Item of Equipment or Improvement may include more than one Unit.

Loan shall mean the loan made by the Authority to the County in the aggregate principal amount of \$44,865,000 (which amount shall also be specified in the Award Certificate relating to the Series 2017 Bonds), to finance the aggregate Costs of the 2017 Project under the terms and conditions set forth herein.

Loan Agreement shall mean this Loan and Security Agreement, dated as of November 1, 2017, by and between the Authority and the County, together with any supplements and amendments hereto, relating to the 2017 Project to be financed with the proceeds of the Loan.

Loan Documents shall mean, collectively, this Loan Agreement, the Guaranty, the Escrow Deposit Agreement, the Continuing Disclosure Agreement, the Bond Resolution and all documents and instruments executed and delivered in connection herewith and therewith and all amendments and modifications hereto and thereto.

Loan Ordinance shall mean the ordinance finally adopted by the County on September 19, 2017 and entitled, "RESOLUTION OF THE BOARD OF CHOSEN

FREEHOLDERS OF THE COUNTY OF CAMDEN, NEW JERSEY PROVIDING THE COUNTY'S CONSENT TO (I) (A) THE FINANCING OF THE ACQUISITION AND INSTALLATION OF CERTAIN CAPITAL EQUIPMENT AND THE CONSTRUCTION OF CERTAIN CAPITAL INFRASTRUCTURE IMPROVEMENTS IN, BY AND FOR THE COUNTY, AND (B) THE ADVANCE REFUNDING OF CERTAIN PRIOR COUNTY GUARANTEED LOAN REVENUE BONDS OF THE CAMDEN COUNTY IMPROVEMENT AUTHORITY ISSUED TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION OR INSTALLATION OF CERTAIN CAPITAL PROJECTS OF THE COUNTY; (II) THE ISSUANCE BY THE AUTHORITY OF A SERIES OF ITS TAX-EXEMPT "COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES A OF 2017" AND A SERIES OF ITS TAX-EXEMPT "COUNTY GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES B OF 2017" FOR THE PURPOSES OF (A) FINANCING THE COUNTY PROJECT AUTHORIZED HEREBY AND (B) ADVANCE REFUNDING CERTAIN PRIOR COUNTY GUARANTEED LOAN REVENUE BONDS OF THE AUTHORITY ISSUED TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION OR INSTALLATION OF CERTAIN CAPITAL PROJECTS OF THE COUNTY; (III) THE LOAN AGREEMENT BY AND BETWEEN THE COUNTY AND THE AUTHORITY IN CONNECTION WITH THE FINANCING AND REFINANCING AUTHORIZED HEREBY; AND (IV) CERTAIN OTHER MATTERS RELATED THERETO AND PURSUANT TO N.J.S.A. 40:37A-56," approving and authorizing the execution and delivery, among other things, of this Loan Agreement and the Continuing Disclosure Agreement by the County and the performance of its obligations hereunder and thereunder, including payment of Loan Payment obligations hereunder and Debt Service on any Bonds issued by the Authority, including the Series 2017 Bonds.

Loan Payment shall mean the sum of money representing principal and interest for: (i) the 2017 Capital Program necessary to amortize Debt Service on the Series 2017A Bonds payable by the County on each Loan Payment Date, as set forth in Exhibit A-1 hereto and (ii) the Series 2013 Refunding Program necessary to amortize Debt Service on the Series 2017B Bonds payable by the County on each Loan Payment Date, as set forth in Exhibit A-2 hereto and incorporated by this reference herein, as described in Section 5.02(A) hereof and redemption premium, if any, to the extent required to redeem the respective Series of the Series 2017 Bonds pursuant to Article IV of the Bond Resolution and, as applicable, Additional Loan Payments payable by the County upon demand pursuant to Section 5.02(B) hereof.

Loan Payment Date shall mean, (i) with respect to each Series of the Series 2017 Bonds, five (5) Business Days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date for such Series, as the case may be, and (ii) such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing any other Series of Refunding Bonds.

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

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.

NJDEP shall mean the New Jersey Department of Environmental Protection or any successor agency.

Official Statement shall mean the Official Statement of the Authority, dated November 2, 2017, prepared in connection with the offering and sale of the Series 2017 Bonds.

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

Outstanding when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the 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 the Bond Resolution and set aside for such payment or redemption (whether at or prior to the maturity date); provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as specified in Article IV of the Bond Resolution;
- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Bond Resolution and as described in Section 1206 of the Bond Resolution; and
- (iv) Bonds deemed to have been paid as provided in Section 1301 of the Bond Resolution.

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

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

Pledged Property shall mean: (i) the Revenues; (ii) the Funds and Accounts established under the Bond Resolution (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds

pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the Bond Resolution.

Prepayment shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.06 hereof.

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

Principal Installment Date shall mean: (i) with respect to the Series 2017 Bonds, each January 15, commencing January 15, 2018, or such other date or dates as provided for in the Award Certificate for the Series 2017 Bonds, on which any Principal Installment shall become due and payable by the Authority; or (ii) such other date as set forth in a Supplemental Resolution authorizing any other Series of Refunding Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

Proceeds shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the 2017 Capital Program remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 7.05 of this Loan Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

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

Project Management Fee shall mean all fees and costs attributable to the Authority's management and oversight services provided in connection with the planning, pre-construction, construction and post-construction phases of the 2017 Capital Program. The Authority shall invoice the County at predetermined and mutually agreed upon rates, on a monthly or such other periodic basis throughout the construction period for the 2017 Capital Program, as agreed to by the Authority and the County, for services performed by the Authority in carrying out the 2017 Capital Program for the benefit of the County. The County shall ensure timely payment of each invoice presented by the Authority for payment from amounts on deposit in the 2017A Account in the Acquisition Fund or from other available funds of the County, as the case may be.

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

**Record Date** shall mean: (i) January 1 and July 1 next preceding any Interest Payment Date, or such other date or dates as provided for in the Award Certificate for the Series 2017 Bonds; or (ii) such other dates as set forth in a Supplemental Resolution authorizing any other Series of Refunding Bonds.

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

**Refunding Bonds** shall mean any Bonds authenticated and delivered on original issuance pursuant to Section 205 of the Bond Resolution including the Series 2017B Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Bond Resolution and as described in Section 1206 of the Bond Resolution.

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

**Revenues** shall mean (i) all amounts, including Loan Payments, received by the Authority from the County under this Loan Agreement, (ii) any moneys or securities held pursuant to the Bond Resolution and paid or required to be paid into the Debt Service Fund, (iii) any payments made by the County to the Authority pursuant to the Guaranty and Sections 508(2) and 708 of the Bond Resolution, (iv) interest received on any moneys or Investment Securities held under the Bond Resolution (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Bond Resolution, and (v) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Resolution.

**Rule** shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Series** shall mean all of the Bonds of a Series authenticated and delivered upon original issuance at one or more times and pursuant to the Bond Resolution and any Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Bond Resolution and as described in Section 1206 of the Bond Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

**Series 2013 Bonds** shall mean the Authority's County Guaranteed Loan Revenue Bonds (County Capital Program), Series 2013 issued on December 12, 2013, in the original aggregate principal amount of \$38,200,000, pursuant to a resolution adopted by the Authority on October 10, 2013, entitled "Resolution of The Camden County Improvement Authority

Authorizing the Issuance of County Guaranteed Loan Revenue Bonds", as amended and supplemented to date.

**Series 2013 Loan Agreement** shall mean the Loan and Security Agreement, dated as of December 1, 2013, by and between the County and the Authority, providing for the lending of the proceeds of the Series 2013 Bonds to the County to finance the acquisition of certain capital equipment and the construction of certain capital improvements.

**Series 2013 Refunded Bonds** shall mean all or a portion of the \$24,815,000 aggregate principal amount of the Authority's outstanding Series 2013 Bonds maturing serially on January 15 in each of the years 2023 through 2029 (and including both of the 2016 maturities), inclusive, refunded, on an advanced basis, with the proceeds of the Series 2017B Bonds.

**Series 2013 Refunded Bonds Redemption Date** shall mean January 15, 2022 (or such other date as shall be set forth in the Award Certificate executed by an Authorized Authority Representative in connection with the sale of the Series 2017B Bonds).

**Series 2013 Refunding Program** shall mean the refunding, on an advanced basis, of up to all of the Series 2013 Refunded Bonds on the Series 2013 Refunded Bonds Redemption Date, upon the terms and conditions set forth in the Local Finance Board Application filed with and approved by the Local Finance Board in the Division of Local Government Services in the State Department of Community Affairs on September 13, 2017.

**Series 2017 Bonds** shall mean, collectively, the Series 2017A Bonds and Series 2017B Bonds, issued as Tax-Exempt Obligations so designated, authenticated and delivered to the Underwriter upon original issuance pursuant to Section 203 of the Bond Resolution (with respect to the Series 2017A Bonds) and Section 205 of the Bond Resolution (with respect to the Series 2017B Bonds) in the original aggregate principal amount of \$44,865,000.

**Series 2017A Bonds** shall mean the Authority's County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017, in an aggregate principal amount of \$20,355,000, authorized in accordance with the terms of the Act and the Bond Resolution and issued to finance the 2017 Capital Program.

**Series 2017B Bonds** shall mean the Authority's County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017, in an aggregate principal amount of \$24,510,000, authorized in accordance with the terms of the Act and the Bond Resolution and issued to finance the Series 2013 Refunding Program.

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

**Standard & Poor's or S&P** shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., 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.

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

**Tax-Exempt Obligations** shall mean any Series of Bonds, including the Series 2017 Bonds, which is issued pursuant to the terms of the Bond Resolution together with an opinion of Bond Counsel to the effect that the interest on such Series of Bonds is not included for federal income tax purposes in the gross income of the Owners thereof pursuant to Section 103 of the Code.

**Trustee** shall mean, with respect to each Series of the Series 2017 Bonds and any other Series of Refunding Bonds issued under the Bond Resolution, TD Bank, National Association, Cherry Hill, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to the Bond Resolution or appointed trustee pursuant to a Supplemental Resolution.

**2017 Capital Program** shall mean the Costs of a capital improvement program consisting of the acquisition and installation of certain Items of Equipment and the construction and equipping of certain Improvements by the County as set forth in the County's 2016 and 2017 Capital Budget, including all necessary materials, improvements, appurtenances, and site work related thereto; all as more particularly described in Exhibit G hereto.

**2017 Project** shall mean, collectively, the Costs of: (i) acquisition, installation, construction and equipping of the 2017 Capital Program, to be financed with the proceeds of the Series 2017A Bonds; (ii) the Series 2013 Refunding Program to be financed with the proceeds of the Series 2017B Bonds; and (iii) and other items incidental to the issuance and sale of the Series 2017 Bonds.

**Underwriter** shall mean, RBC Capital Markets LLC, the underwriting firm named in the bond purchase contract between the Authority and the Underwriter and the Award Certificate, dated November 2, 2017, the date of sale of the Series 2017 Bonds.

**Unit** shall mean, with respect to each Item, an individual Improvement or piece of Equipment which is designated in Exhibit G hereto as being a Unit of such Item of Improvement or Equipment.

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

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## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

**SECTION 2.01. County's Representations and Warranties.** The County represents and warrants that:

(A) It is a duly formed and validly existing political subdivision of the State governed by the Constitution and laws of the State, with full power and legal right to enter into this Loan Agreement and to perform its obligations hereunder, under the Guaranty and under any other Loan Documents to which it is a party.

(B) The adoption of the Guaranty and the entering into of this Loan Agreement by the County and the performance of its obligations thereunder and hereunder have been duly authorized by all necessary action of its governing body and does not violate or constitute, on the part of the County, a violation of, breach of or default under any agreement, indenture, mortgage, deed of trust, instrument or other document by which the County or any of its properties are bound or with respect to any law, statute, rule or regulation or, to the knowledge of the County, order of any court or governmental agency.

(C) This Loan Agreement constitutes a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to bankruptcy, insolvency or other similar laws or equitable principles affecting generally the enforcement of creditors' rights.

(D) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the County, threatened, or any basis therefor, wherein an unfavorable decision, ruling or finding would: (1) result in any material adverse change in the financial condition, properties or operations of the County that would materially adversely affect the ability of the County to make Loan Payments; (2) materially adversely affect the ability of the County to perform its obligations under this Loan Agreement and the Guaranty; (3) materially impair the 2017 Project; (4) materially adversely affect the transactions contemplated by this Loan Agreement; or (5) adversely affect the validity or enforceability of the Series 2017 Bonds, the Bond Resolution, this Loan Agreement, the Guaranty or any other documents related to the 2017 Project.

(E) Neither the execution and delivery of this Loan Agreement nor the fulfillment of or compliance with the terms and conditions contained herein is prevented, limited by, conflicts with or results in a breach of, the terms, conditions or provisions of (1) any law, rule, regulation or, to the knowledge of the County, order of any court or governmental agency, or (2) any agreement, instrument or evidence of indebtedness to which the County is bound, or constitutes a default under any of the foregoing. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the undertaking of the 2017 Project and the transactions contemplated hereby and by the other Loan Documents either have been obtained or are reasonably expected to be obtained in due course.

(F) All statements, representations and warranties made by the County in connection with the financing of the 2017 Project, the issuance of the Series 2017 Bonds, or the Loan Documents or in any other document, agreement, certificate or instrument delivered or to

be delivered by the County in connection with any of the foregoing shall be true, correct and complete in all material respects at the time they were made and on and as of the Issue Date of the Series 2017 Bonds, and no information has been or will be omitted which would make any of the foregoing misleading or incomplete.

(G) There has been no material adverse change in the financial condition or operation of the County not reflected in any financial statement, certificate or any other document submitted by the County to the Authority.

(H) No legislation has been enacted which in any way adversely affects the execution and delivery of this Loan Agreement or the adoption of the Guaranty 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 Loan Agreement or the Guaranty.

(I) Except as otherwise disclosed in the Official Statement, the County is not a party to any indenture, loan, any other agreement, resolution, contract, instrument, or subject to any restriction, which may reasonably be expected to have a material adverse effect on its properties, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Loan Agreement or the Guaranty.

(J) The County is not, as of the date hereof, in default or noncompliance in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party or by which it is bound or with respect to any law, statute, rule or regulation or, to the knowledge of the County, any judgment, writ, injunction or order of any court or governmental agency.

(K) The County has not taken and will not take any action and knows of no action that any other Person has taken or intends to take, which would cause this Loan Agreement or the Guaranty to be invalid or unenforceable in whole or in part or which would cause the interest income on any Series of Tax-Exempt Obligations, including the Series 2017 Bonds, to be included in the gross income of the Holders thereof under the Code.

(L) The undertaking of the 2017 Capital Program in the manner presently contemplated will not materially conflict with any current zoning, water, air pollution or other ordinances, orders, laws or regulations applicable thereto. The County will acquire the 2017 Capital Program in accordance with all federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality. The County will acquire and complete the 2017 Capital Program pursuant to this Loan Agreement.

(M) The County shall not bring, allow, use or permit upon the capital assets comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Bonds or generate or create at or emit or dispose from the assets comprising the 2017 Capital Program and the assets originally financed with the proceeds of the Series 2013 Bonds any toxic or hazardous gaseous, liquid or solid materials or waste including, without limitation, materials or substances having characteristics of ignitability, corrosivity, reactivity or extraction procedure toxicity or substances or materials which are listed on any of the United States Environmental Protection Agency's list of hazardous wastes which are identified in Appendix "A" of N.J.A.C. 7:1E as the same may be amended from time to time (collectively,

"Hazardous Wastes"), other than in accordance with applicable Environmental Laws. In the event any such Hazardous Wastes are brought or deposited upon the assets comprising the 2017 Capital Program and the assets originally financed with the proceeds of the Series 2013 Bonds, the County shall cause the removal of same in such manner as is prescribed by all applicable Environmental Laws. The County shall comply, at its sole cost, with all Environmental Laws and shall indemnify and hold the Authority harmless from any claims, liabilities, costs or expenses incurred or suffered by the Authority arising from such bringing, allowing, using, permitting, generating, creating or omitting or disposing upon the assets comprising the 2017 Capital Program and the assets originally financed with the proceeds of the Series 2013 Bonds. The County's indemnification and hold harmless obligations include, without limitation, (i) claims, liabilities, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other actions, legal or equitable, brought by any private or public Person under any Environmental Laws, (ii) claims, liabilities, costs or expenses pertaining to the clean-up or containment of Hazardous Wastes, the identification of the pollutants in the Hazardous Waste, the identification of the scope of any environmental contamination, the removal of pollutants from soils, riverbeds or aquifers, the provision of any alternative public drinking water source, or the long term monitoring of ground water and surface waters, and (iii) all costs of defending such claim including reasonable counsel fees. Notwithstanding any contrary provision herein, the provisions of this indemnity shall survive the Loan Term.

Should the Division or any other division of NJDEP determine that a cleanup plan be prepared, and that a cleanup be undertaken because of any spills or discharges of Hazardous Wastes at any of the assets comprising the 2017 Capital Program and the assets originally financed with the proceeds of the Series 2013 Bonds which occur during the Loan Term, then the County shall, at the County's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

The County and the Authority recognize that no ECRA approvals have been obtained as of the commencement of this Loan Agreement. Therefore, in the event ECRA compliance becomes necessary with respect to the 2017 Capital Program, the County shall, at the County's own expense, comply with ECRA. The County shall also provide all information within the County's control requested by the Authority or the Division for preparation of non-applicability affidavits should the Authority or NJDEP so request, and the County shall promptly execute such affidavits should the information contained therein be found by the County to be complete and accurate.

(N) The County shall apply the proceeds from the sale of the Series 2017 Bonds for the respective purposes specified and in the manner provided for in this Loan Agreement.

(O) The County shall annually provide moneys for payment of its Loan Payment obligations hereunder (including, but not limited to, Debt Service on any Bonds issued by the Authority which are Outstanding under the Bond Resolution, including the Series 2017 Bonds, and Additional Loan Payments).

(P) Any certificate signed by an Authorized County Representative and delivered to the Trustee or the Authority shall be deemed a representation and warranty by the County to the Trustee or the Authority, as the case may be, as to the statements made therein.

**SECTION 2.02. Authority Representations and Findings.** The Authority hereby confirms its findings and represents that:

(A) It is a public body corporate and politic constituting an instrumentality of the State, duly organized and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the Series 2017 Bonds in accordance with the Act and to use the proceeds from the sale of the Series 2017 Bonds to make the Loan to the County.

(B) The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated by this Loan Agreement, the Series 2017 Bonds, the Bond Resolution, the Escrow Deposit Agreement and any and all other agreements relating thereto and to issue, sell and deliver the Series 2017 Bonds as provided in the Bond Resolution.

(C) By the Bond Resolution and the Delegation Resolution each duly adopted by the Authority and still in full force and effect, the Authority has duly authorized the execution, delivery and due performance of this Loan Agreement, the Escrow Deposit Agreement and the Series 2017 Bonds and the taking of any and all actions as may be required on the date hereof on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by the Bond Resolution, the Delegation Resolution, the Series 2017 Bonds, the Escrow Deposit Agreement and this Loan Agreement. All approvals of the Authority necessary in connection with the foregoing have been received.

(D) The Series 2017 Bonds have been duly authorized, executed, issued, sold and delivered and constitute valid and binding direct, limited and special obligations of the Authority, the principal of, redemption premium, if any, and interest on which are payable solely from the Revenues derived pursuant to this Loan Agreement and pledged therefor by the Bond Resolution. The Series 2017 Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by this Loan Agreement and the Guaranty, the County, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by this Loan Agreement and the Guaranty, the County, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by this Loan Agreement and the Guaranty, the County.

(E) The adoption of the Bond Resolution and the Delegation Resolution and the execution and delivery of this Loan Agreement, the Escrow Deposit Agreement and the Series 2017 Bonds, and compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the Authority a violation of the Constitution of the State or a violation or breach of or default under its by-laws or any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound or, to the knowledge of the Authority, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties. All consents, approvals, authorizations and orders of governmental or

regulatory authorities which are required to be obtained by the Authority for the consummation of the transactions contemplated hereby and thereby have been obtained.

(F) The Authority shall apply the proceeds from the sale of the Series 2017 Bonds, other available funds held by the trustee for the Series 2013 Refunded Bonds and the Revenues derived under this Loan Agreement for the purposes specified and in the manner provided in this Loan Agreement, the Escrow Deposit Agreement and the Bond Resolution.

(G) Except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any court, public board or body pending or, to the knowledge of the Authority, threatened against or affecting the Authority, or any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby, or which in any way would materially adversely affect the validity of the Series 2017 Bonds, the Bond Resolution, this Loan Agreement, the Escrow Deposit Agreement or any other agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby or the exclusion from taxation as set forth herein.

(H) Any certificate signed by an Authorized Authority Representative and delivered to the Trustee or the County shall be deemed a representation and warranty by the Authority to the Trustee or the County, as the case may be, as to the statements made therein.

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ARTICLE III

ISSUE OF SERIES 2017 BONDS; LENDING CLAUSE

SECTION 3.01. Issue of the Series 2017 Bonds; Lending Clause. (A) The Authority shall issue, sell and deliver the Series 2017 Bonds in accordance with the terms of the Bond Resolution and the Award Certificate, subject to the execution of one or more bond purchase contracts by and between the Authority and the Underwriter for the Series 2017 Bonds.

(B) The Authority agrees to lend to the County, and the County agrees to borrow from the Authority, the proceeds of the Series 2017 Bonds (including income earned on the investment of Series 2017 Bond proceeds), to be used in the manner prescribed herein and in the Bond Resolution to (i) finance the Costs of the 2017 Project; and (ii) pay certain Costs incidental to the issuance and sale of the Series 2017 Bonds. The County agrees to use its best efforts to expend the Series 2017A Bond proceeds to complete acquisition, construction, equipping and furnishing of the 2017 Capital Program no later than November 15, 2020.

(C) Upon original issuance of the Series 2017 Bonds, proceeds thereof (including accrued interest, if any), shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows: (i) an amount equal to the accrued interest, if any, on the Series 2017A Bonds for deposit in the 2017A Account in the Debt Service Fund established for the Series 2017A Bonds; (ii) an amount equal to the accrued interest, if any, on the Series 2017B Bonds for deposit in the 2017B Account in the Debt Service Fund established for the Series 2017B Bonds; (iii) the amount specified in the Escrow Deposit Agreement from the Series 2017B Bond proceeds, shall be deposited into the Escrow Fund established thereby to pay the costs of the Series 2013 Refunding Program; (iv) an amount representing costs of issuance, subject to any limitations as to amount imposed by the provisions of the Code, for the Series 2017A Bonds, including the allocable portion of the Initial Authority Financing Fee, for deposit in the 2017A Account in the Operating Fund and paid to the Authority in accordance with Section 505(2) of the Bond Resolution; (v) an amount representing costs of issuance, subject to any limitations as to amount imposed by the provisions of the Code, for the Series 2017B Bonds, including the allocable portion of the Initial Authority Financing Fee, for deposit in the 2017B Account in the Operating Fund and paid to the Authority in accordance with Section 505(2) of the Bond Resolution; and (vi) the remaining Series 2017A Bond proceeds shall be deposited into the 2017A Account in the Acquisition Fund established for the Series 2017A Bonds and paid in accordance with Section 503 of the Bond Resolution.

SECTION 3.02. Benefit of Bondholders. This Loan Agreement is executed in part to induce the purchase by others of the Series 2017 Bonds and, accordingly, all covenants, agreements and representations on the part of the County and the Authority, each as set forth in this Loan Agreement and the Series 2013 Loan Agreement, are hereby declared to be for the benefit of the Holders from time to time of the respective Series of the Series 2017 Bonds. As such, any of the Funds created under the Bond Resolution (excluding the Rebate Fund) and any moneys held therein shall be assigned by the Authority to the Trustee to secure repayment of the Series 2017 Bonds. The County, by execution hereof, consents to such assignment for the benefit of the Bondholders to secure repayment of the Series 2017 Bonds.

SECTION 3.03. Compliance With Bond Resolution. The County covenants and agrees to do all things within its power to comply with and to enable the Authority to comply with the Bond Resolution, this Loan Agreement and any other Loan Documents to which the Authority is a party and to fulfill and to enable the Authority to fulfill all covenants of the Bond Resolution and the Loan Documents.

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ARTICLE IV

ACQUISITION OF THE 2017 CAPITAL PROGRAM

SECTION 4.01. The 2017 Capital Program. (a) The Authority and the County have agreed that the County shall acquire, construct, equip and furnish the 2017 Capital Program in accordance with all statutory and regulatory requirements. The County agrees that it will use its best efforts to cause such acquisition, construction, equipping and furnishing of the 2017 Capital Program to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control only excepted; but if for any reason such acquisition, construction, equipping and furnishing is delayed there shall be no diminution in or postponement of the amounts payable to the Authority by the County under this Loan Agreement.

(b) The County shall be responsible for the letting of contracts and for conducting the due diligence on the 2017 Capital Program, including appraisals, title work, environmental surveys, etc., and obtaining all consents, approvals, permits and the like in connection with or relating to the acquisition, construction, equipping and furnishing of the 2017 Capital Program.

(c) The County acknowledges that the Authority makes no warranties or representations and accepts no liabilities or responsibilities with respect to or for the adequacy, sufficiency or suitability of or defects in the 2017 Capital Program or any contracts or agreements with respect to the 2017 Capital Program. In no event shall the Authority be liable for any damages, incidental, direct, indirect, consequential or otherwise in connection with or arising out of the undertaking of the 2017 Capital Program or this Loan Agreement.

SECTION 4.02. Deposits to Acquisition Fund. The net proceeds of the Series 2017A Bonds, less the proceeds thereof deposited in the Debt Service Fund, if any, and the Operating Fund (for Costs consisting of costs of issuance with respect to the Series 2017A Bonds) pursuant to the provisions of the Bond Resolution and the written order of the Authority as to delivery of the Series 2017A Bonds pursuant to Section 202(1)(b) of the Bond Resolution, will be deposited in the 2017A Account in the Acquisition Fund established under the Bond Resolution and shall be used by the County for payment of Costs of the 2017 Capital Program (including payment of the Project Management Fee) or to reimburse the County for any Cost of the 2017 Capital Program upon requisition by the County as provided in Section 503 of the Bond Resolution and Section 4.03 of this Loan Agreement. The County agrees that the sums so requisitioned from the 2017A Account in the Acquisition Fund will be used to pay or to reimburse the County for the Costs of the 2017 Capital Program. If for any reason the amount in the 2017A Account in the Acquisition Fund proves insufficient to pay all Costs of the 2017 Capital Program and in the event the County elects (i) to undertake such remaining portions of the 2017 Capital Program, the County shall pay the remainder of such Costs in accordance with the provisions of Section 4.11 hereof or (ii) not to undertake such remaining portions of the 2017 Capital Program, the County shall prepare and file with the Trustee the County's Completion Certificate in accordance with the provisions of Section 4.05 of this Loan Agreement. The County shall have the right to enforce payments from the 2017A Account in the Acquisition Fund upon compliance with the procedures set forth in this Section 4.02, Section 4.03 hereof and Section 503 of the Bond Resolution and, in the case of reimbursement for prior advances made

by the County, upon compliance with the procedures set forth in the Certificate as to Nonarbitrage and Other Tax Matters executed by the Authority and the County in connection with the issuance of the Series 2017 Bonds; provided that, during the continuance of an Event of Default (as defined in the Bond Resolution), the Trustee shall apply the Pledged Property including, but not limited to, the 2017A Account in the Acquisition Fund in accordance with the provisions of Article IX of the Bond Resolution and the Loan Documents.

SECTION 4.03. Payments From Acquisition Fund. The Authority has, in Section 503 of the Bond Resolution, authorized and directed the Trustee to make payments from the 2017A Account in the Acquisition Fund to pay the Costs of the 2017 Capital Program (including the Project Management Fee but excluding costs of issuance with respect to the Series 2017A Bonds which shall be paid from the Operating Fund) or to reimburse the County for any Cost of the 2017 Capital Program (excluding costs of issuance with respect to the Series 2017A Bonds which shall be paid from the Operating Fund) paid by it in accordance with a reimbursement resolution or resolutions adopted by the County, upon receipt of a requisition signed by an Authorized County Representative, together with a copy of the reimbursement resolution or resolutions adopted by the County, stating with respect to each payment to be made: (1) the requisition number, (2) that such payment is to be made from the 2017A Account in the Acquisition Fund, (3) the name and address of the Person to whom payment is to be made by the Trustee, or (a) if payment is to be made to the Authority for the Project Management Fee, the name of the bank and account number to which such amount shall be deposited or (b) if payment is to be made to the County for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the County, (4) the amount to be paid, which amount represents the payment due to the Person referenced in clause (3) above, or 100% of the payment previously made by the County, (5) the particular item of Cost to be paid to which the requisition relates, (6) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the 2017 Capital Program (or, in the case of the Project Management Fee, the expense is an item of Cost of the 2017 Capital Program), is unpaid or unreimbursed, and is a proper charge against the 2017A Account in the Acquisition Fund and has not been the basis of any previously paid withdrawal or requisition, (7) that the State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the 2017 Capital Program pursuant to which payment is being requested have been complied with, (8) if such payment is a reimbursement to the County for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the County, that the amount to be paid does not exceed the actual cost thereof to the County, (9) that no unsecured Event of Default has occurred under this Loan Agreement or the Bond Resolution (as defined in Section 901 thereof) and everything then required to be performed by the County has been performed, (10) the County has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition, and (11) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The County agrees with the Authority as a condition precedent to the disbursement of any portion of the 2017A Account in the Acquisition Fund to comply with the terms of this Loan Agreement, the Bond Resolution and, in the case of any requests for reimbursement, the Certificate as to Nonarbitrage and Other Tax Matters and to

furnish the Trustee with a requisition form substantially in the form set forth as Exhibit B annexed hereto and incorporated by this reference herein and, if applicable, a copy of the reimbursement resolution or resolutions.

**SECTION 4.04. Cooperation in Furnishing Documents.** The Authority agrees to cooperate with the County in furnishing to the Trustee any documents that are required to effect payments out of the 2017A Account in the Acquisition Fund in accordance with Section 4.03 hereof and Section 503 of the Bond Resolution. Such obligation is subject to any provisions of the Bond Resolution requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the 2017A Account in the Acquisition Fund available for payment under the terms of the Bond Resolution.

**SECTION 4.05. Completion Date.** Upon completion of the 2017 Capital Program, the County shall deliver to the Trustee and the Authority the County's Completion Certificate, the form of which is annexed hereto as Exhibit C and incorporated by this reference herein, which Completion Certificate shall evidence completion of the 2017 Capital Program, and in compliance with the provisions of Section 503(4) of the Bond Resolution shall state: (i) that the 2017 Capital Program is complete or has been substantially completed, (ii) the date of completion of the 2017 Capital Program, (iii) the Cost of all labor, services, materials and supplies used in the 2017 Capital Program have been paid or will be paid from amounts retained by the Trustee, at the County's direction, for any Cost of the 2017 Capital Program and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the 2017 Capital Program or any portion thereof, not then due and payable or, if due and payable, not yet paid, (iv) the 2017 Capital Program is an authorized "project" under the Act, and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the 2017 Capital Program have been obtained and are in effect. Notwithstanding the foregoing, the County's Completion Certificate may state that it is given without prejudice to any rights against third parties which exist at the date of the Completion Certificate or which may subsequently come into being. Any amount remaining in the 2017A Account in the Acquisition Fund thereafter (except for amounts therein sufficient to cover Costs of the 2017 Capital Program, not then due and payable or not then paid) shall be applied by the Trustee in the manner set forth in Section 503(4) of the Bond Resolution. If for any reason the amount in the 2017A Account in the Acquisition Fund proves insufficient to pay all Costs of the 2017 Capital Program, the County shall make the election to either undertake or not to undertake the remaining portion of the 2017 Capital Program in accordance with the provisions of Section 4.09 hereof.

**SECTION 4.06. Bonds Issued as Tax-Exempt Obligations Not to Become Arbitrage Bonds.** As provided in Article VI of the Bond Resolution, the Trustee will invest moneys held by the Trustee as directed by the Authority, in writing, upon written instructions from the County. The County hereby covenants to the Authority and to the Holders of any Bonds issued as Tax-Exempt Obligations that, notwithstanding any other provision of this Loan Agreement or any other instrument, it will neither make, instruct the Authority to make nor require the Trustee to make any investment or other use of the proceeds of a Series of Bonds issued as Tax-Exempt Obligations deposited into the applicable Account in the Acquisition Fund or other proceeds of any Series of Bonds issued as Tax-Exempt Obligations which would cause such Series of Bonds issued as Tax-Exempt Obligations to be arbitrage bonds under Section 148

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of the Code, and that it will comply with the requirements of such Section throughout the term of such Series of Bonds issued as Tax-Exempt Obligations.

**SECTION 4.07. Restriction on Use of Acquisition Fund.** The County shall not use or direct the use of proceeds of a Series of Bonds issued as Tax-Exempt Obligations deposited into the applicable Account in the Acquisition Fund in any way, or take or omit to take any other action, so as to cause the interest on such Tax-Exempt Obligations to be included in gross income of the Owners thereof for federal income taxation purposes.

**SECTION 4.08. Due Diligence Requirement.** Except to the extent otherwise approved by a Favorable Opinion of Bond Counsel, such opinion being paid for by the County and addressed to the Trustee, the Authority and the County and being satisfactory to the Authority, the County shall reasonably expect to have completed the 2017 Capital Program with due diligence and caused all of the proceeds of the Series 2017A Bonds to be expended for Costs of the 2017 Capital Program or to be transferred from the 2017A Account in the Acquisition Fund and applied as described in Section 4.09 hereof and Section 503(4) of the Bond Resolution within three (3) years of the Issue Date of the Series 2017A Bonds.

The County anticipates expending all of the proceeds of the Series 2013 Bonds for Costs of the projects originally financed with the proceeds of the Series 2013 Bonds by the end of calendar year 2018.

**SECTION 4.09. Completion of 2017 Capital Program; Excess Series 2017A Bond Proceeds.** When the County certifies to the Trustee and the Authority, in the manner provided in Section 4.05 hereof and in Section 503(4) of the Bond Resolution, that the acquisition, construction, equipping and furnishing of the 2017 Capital Program is complete, excess Series 2017A Bond proceeds remaining in the 2017A Account in the Acquisition Fund shall be applied by the Trustee, at the written direction of an Authorized County Representative, in accordance with the provisions of Section 503(4) of the Bond Resolution. If for any reason the amount in the 2017A Account in the Acquisition Fund proves insufficient to pay all Costs of the 2017 Capital Program and in the event the County elects (i) to undertake such remaining portions of the 2017 Capital Program, the County shall pay the remainder of such Costs in accordance with the provisions of Section 4.11 hereof or (ii) not to undertake such remaining portions of the 2017 Capital Program, the County shall prepare and file with the Trustee the County's Completion Certificate in accordance with the provisions of Section 4.05 hereof.

**SECTION 4.10. Default in Performance.** If there is an event of default by any contractor or any party under any contract made in connection with the 2017 Capital Program, the County will promptly proceed, either separately or in conjunction with others, to exhaust the remedies against the party so in default and against each surety for the performance of such party. The County agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The County may, in good faith, with notice to the Authority and at the cost and expense of the County, prosecute or defend any action or proceeding or take other action involving any such party which the County deems reasonably necessary and which may be required for the successful completion of the 2017 Capital Program, and in such event, the Authority hereby agrees to cooperate fully with the County. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be deposited into the 2017A Account in the Acquisition Fund and shall be used to complete the

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2017 Capital Program or shall be deposited into the 2017A Account in the Proceeds Fund and shall be applied by the Trustee as a credit toward the County's Loan Payments with respect to the Series 2017A Bonds in accordance with the provisions of Section 507 of the Bond Resolution, as shall be determined by the Authority in accordance with written instructions from the County.

**SECTION 4.11. Sufficiency of Series 2017A Bond Proceeds; Completion of the 2017 Capital Program.** (A) The County agrees that the net proceeds of sale of the Series 2017A Bonds deposited in the 2017A Account in the Acquisition Fund established under the Bond Resolution will be sufficient to pay the estimated Costs of the 2017 Capital Program. In the event the Cost to complete the 2017 Capital Program shall exceed the amount available to the County in the 2017A Account in the Acquisition Fund from the Series 2017A Bond proceeds and in the event the County elects to undertake such remaining portions of the 2017 Capital Program, the County is obligated to pay, as Additional Loan Payments under Section 5.02(B)(ii) hereof, such sums as may be required to pay the Costs of the 2017 Capital Program in excess of the amount available to the County from the proceeds of the sale of the Series 2017A Bonds out of funds legally available therefor. Payment of such Additional Loan Payments shall be made by the County at the time or times and in the amount or amounts required for the payment of such excess Costs as the same become due and payable. Such Additional Loan Payments shall be paid by the County to the Trustee for deposit in the 2017A Account in the Acquisition Fund and the Trustee shall pay the Costs thereof in accordance with the procedures outlined in Section 4.03 hereof and subsection (3) of Section 503 of the Bond Resolution.

(B) In the event the County pays to the Trustee sums needed to fund the balance of the Costs of the 2017 Capital Program in accordance with the provisions of Section 4.11(A) hereof, the County shall complete Exhibit E attached hereto to reflect (i) the amount of moneys to be withdrawn from the 2017A Account in the Acquisition Fund to pay the Costs of the 2017 Capital Program, (ii) the amount of money forwarded to the Trustee by the County for deposit in the 2017A Account in the Acquisition Fund to make up the deficiency in such Costs of the 2017 Capital Program, (iii) the total Cost of the Item being requisitioned, and (iv) such other information required to be completed as contained in Exhibit E, which certificate shall be executed by the County and delivered and filed with the Trustee (with a copy to the Authority if requested).

**SECTION 4.12. Substitution by the County With Respect to 2017 Capital Program.** The County is hereby granted the following options of substitution or addition of Equipment or Improvements with respect to the 2017 Capital Program as originally set forth in this Loan Agreement:

(A) Prior to the County's delivery of a Completion Certificate for any Item of Equipment or Improvement, the County may, for any reason, elect to substitute one or more other Items of Equipment or Improvements for the Items 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 Equipment or Improvements pursuant to this Loan Agreement and to the effect that the aggregate value of all Items of Equipment and Improvements financed with proceeds of the Series 2017A Bonds for which a Completion Certificate has been delivered, plus the value of the new Items of Equipment and Improvements to be purchased with proceeds of the Series 2017A Bonds is equal to at least 100% of the amount of Series 2017A Bond proceeds initially deposited

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in the 2017A Account in the Acquisition Fund established pursuant to the Bond Resolution for the Series 2017A Bonds; (ii) a new Exhibit G to this Loan Agreement setting out the new Items of Equipment to be acquired and/or Improvements to be constructed; (iii) an opinion of counsel that is satisfactory to the Authority to the effect that each of such substitutions and this Loan Agreement, 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 Authority; and (iv) an opinion of Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations from the gross income of the Owners thereof for federal income taxation purposes.

(B) The County may not elect to substitute or exchange Equipment or Improvements for Items or Units constituting the 2017 Capital Program designated in Exhibit G to this Loan Agreement for which the County has furnished to the Trustee a Completion Certificate.

(C) To the extent excess proceeds of the Series 2017A Bonds remain in the 2017A Account in the Acquisition Fund as set forth in the Bond Resolution after all of the Items of Equipment and Improvements set forth in Exhibit G hereto to be financed with a portion of the proceeds of the Series 2017A Bonds have been acquired or completed, the County may apply such excess proceeds of the Series 2017A Bonds to the purchase of additional Items 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 pursuant to this Loan Agreement and to the effect that the aggregate value of all Items for which a Completion Certificate has been delivered (exclusive of these additional contemplated Items) when added to the value of the new Items, will be equal to at least 100% of the amount of Series 2017A Bond proceeds initially deposited in the 2017A Account in the Acquisition Fund established for the Series 2017A Bonds, (ii) an opinion of Counsel that is satisfactory to the Authority to the effect that each such additional Item and this Loan Agreement as supplemented thereby is in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Authority, and (iii) an opinion of Bond Counsel to the effect that each such additional Item will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations from the gross income of the Owners thereof for federal income taxation purposes.

**SECTION 4.13. Refunding Representations.** The County hereby represents as follows:

- (i) The Series 2013 Refunded Bonds have not been refunded since their original date of issuance.
- (ii) Pursuant to the provisions of Section 5.06 of the Series 2013 Loan Agreement, the County has notified the Trustee and the Authority, in writing in accordance with the provisions of Section 402 and 405 of the Bond Resolution (as defined in the Series 2013 Loan Agreement) adopted in connection with the issuance of the Series 2013 Bonds, that it intends to prepay, in part, the unpaid balance of the Loan (as defined in the Series 2013 Loan Agreement) on

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the date of issuance of the Series 2017B Bonds which aggregate amount shall be applied to the redemption of the Series 2013 Refunded Bonds on the Series 2013 Refunded Bonds Redemption Date;

- (iii) The amount of "excess gross proceeds," as such term is defined in Regulation Section 1.148-10(c)(2), of the Series 2017B Bonds allocable to the Series 2013 Refunding Program will not exceed one percent (1%) of the proceeds received from the sale thereof;
- (iv) None of the proceeds of the Series 2013 Refunded Bonds were used to refund other obligations unless such refunding was a current refunding or the first advance refunding of tax-exempt bonds issued prior to the effective date of Section 149(d) of the Code enacted as a part of the Tax Reform Act of 1986; and
- (v) It will not employ a device in connection with the issuance of the Series 2017B Bonds which will enable the County to obtain a material financial advantage (based on arbitrage) apart from the savings that may be realized as a result of the lower interest rates on the Series 2017B Bonds than on the Series 2013 Refunded Bonds.

**SECTION 4.14. The Series 2013 Refunding Project.** (a) The County acknowledges that the 2013 Project (as such term is defined in the Series 2013 Loan Agreement) has not been completed and the County agrees that it will file the Completion Certificates with the Authority and the Trustee, as trustee for the Series 2013 Bonds, upon completion of same in accordance with the requirements of the Series 2013 Loan Agreement.

(b) Upon completion, the 2013 Project will have been acquired, constructed and equipped in accordance with all statutory and regulatory requirements.

(c) The County acknowledges that the Authority makes no warranties or representations and accepts no liabilities or responsibilities with respect to or for the adequacy, sufficiency or suitability of or defects in the capital assets financed with the proceeds of the Series 2013 Bonds. In no event shall the Authority be liable for any damages, incidental, direct, indirect, consequential or otherwise in connection with or arising out of the undertaking of the 2013 Project, the Series 2013 Loan Agreement, or this Loan Agreement.

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## ARTICLE V

### TERM AND PAYMENTS

**SECTION 5.01. Loan Term.** This Loan Agreement shall remain in full force and effect from the date hereof until the date on which the principal or Redemption Price of and interest on the Series 2017 Bonds and any and all other Costs with respect to the 2017 Project shall have been fully paid or provision for the payment thereof shall have been made as provided in the Bond Resolution, and the County shall have satisfied and performed all other covenants, agreements and obligations made or undertaken by the County under this Loan Agreement, at which time the Authority shall release and cancel this Loan Agreement.

The payment obligations created under this Loan Agreement are direct, general, irrevocable and unconditional obligations of the County payable from any source legally available to the County, including, without limitation, the general tax revenues of the County, and the County shall, if necessary, levy *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County for the payment of such obligations, without limitation as to rate or amount.

**SECTION 5.02. Loan Payments.** (A) Loan Payments. The County agrees to repay the Loan in an amount which is equal to that portion of the principal of, redemption premium, if any, and interest on the Series 2017 Bonds. The County agrees to pay to the Trustee, in immediately available funds, at the address shown on Exhibit F annexed hereto and incorporated by this reference herein or at such other address as the County may be notified in writing pursuant to Section 9.11 of this Loan Agreement, on each Loan Payment Date for each Series of the Series 2017 Bonds, an aggregate amount in accordance with the schedule of Loan Payments for each Series of the Series 2017 Bonds set forth in Exhibits A-1 and A-2 annexed hereto and incorporated by this reference herein, which will equal the County's aggregate Loan Payment obligation which is to be applied to the respective Debt Service payable on each Series of the Series 2017 Bonds on the immediately succeeding respective Interest Payment Date or Principal Installment Date, as applicable; provided, however, that with respect to the Loan Payments required to be paid pursuant to this Section 5.02, no Loan Payments shall be payable on any Loan Payment Date to the extent the Debt Service payable on such Loan Payment Date shall be paid or provided for under the Bond Resolution from the proceeds of such Series of the Series 2017 Bonds designated therefor by the Authority or from the income derived from the investment of amounts in the Funds or other amounts available in the Debt Service Fund established by and maintained under the Bond Resolution.

(B) Additional Payments. In addition to the Loan Payments required by paragraph (A) of this Section 5.02, the County agrees to pay the following additional amounts to the Trustee:

(i) The County shall pay to the Trustee, as the same shall become due and payable at any time during the Loan Term, on any Loan Payment Date or thirty (30) days after written demand by the Trustee, such sums as represent Additional Loan Payments including, but not limited to, Authority Administrative Expenses, the Project Management Fee (solely with respect to the 2017 Capital Program), and any other amounts due hereunder, as shall have been submitted by the Authority, in writing, to the Trustee, with a copy to the County.

Specifically, but not by way of limitation, the County agrees to pay to, or upon the order of, the Authority (a) on or before the Issue Date, the Initial Authority Financing Fee with respect to the Series of Bonds being issued by the Authority and (b) on each anniversary of the Issue Date with respect to each Series of Bonds until such time as such Series of Bonds are no longer Outstanding, the Annual Authority Administrative Fee;

(ii) The County shall pay to the Trustee amounts required to be paid by the County pursuant to Section 4.11 hereof; and

(iii) In the event the County fails to make any Loan Payment or Additional Loan Payment in accordance with the provisions of this Section 5.02 on its due date, the County shall pay interest (to the extent permitted by law) on such overdue Loan Payment or Additional Loan Payment at the highest rate per annum borne by the applicable Series of Bonds until paid, which interest shall be paid directly to the Authority.

**SECTION 5.03. Application/Assignment of Payments.** (A) The Loan Payments provided for in paragraph (A) of Section 5.02 hereof and any Additional Loan Payments provided for in clauses (i) and (ii) of paragraph (B) of Section 5.02 hereof shall be paid to and assigned to the Trustee for the account of the Authority and applied as provided in this Loan Agreement and the Bond Resolution.

(B) The interest, if any, due thereon pursuant to clause (iii) of paragraph (B) of Section 5.02 hereof shall be paid directly to the Authority.

**SECTION 5.04. [Reserved].**

**SECTION 5.05. County Loan Payment Obligations Unconditional.** The obligations of the County to make payments required under Section 5.02 hereof and all other payments required under this Loan Agreement, as well as to perform its other obligations under this Loan Agreement, shall be absolute and unconditional without counterclaim, recoupment, defense or set-off by reason of any default by any party under any contract for the 2017 Project or by the Authority under this Loan Agreement or under any other agreement, if any, between the County and the Authority. Except as may be expressly provided herein or in the Bond Resolution, such payments shall not be decreased, abated, postponed or delayed for any reason whatsoever including, without limiting the generality of the foregoing, failure to commence or complete the 2017 Capital Program, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2017 Capital Program, the taking of any part of the 2017 Capital Program, frustration of purpose, failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, it being the intention of the parties that the payments required of the County hereunder will be paid in full when due without any delay or diminution whatsoever. Notwithstanding the above, any payment made under protest by the County to the Authority shall be made without prejudice to the right of the County to proceed against the Authority, or the defaulting party, as a result of the foregoing.

Notwithstanding anything in this Loan Agreement to the contrary, the cost and expense of the performance by the County of its obligations under this Loan Agreement and the incurrence of any liabilities of the County under this Loan Agreement including, without

limitation, the obligation for the payment of all Loan Payments and all other amounts required to be paid by the County under this Loan 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 Loan Payments and such other amounts required to be paid by the County under this Loan Agreement are paid from other sources, the County shall be obligated to levy *ad valorem* taxes on all taxable property within the jurisdiction of the County without limitation as to rate or amount.

**SECTION 5.06. Prepayments.** To the extent any Series of the Series 2017 Bonds are subject to optional redemption under the Bond Resolution, the County shall have the option to prepay in full or in part the unpaid balance of the Loan with respect to such Series of the Series 2017 Bonds, together with the Redemption Price, if any, on such Series of the Series 2017 Bonds, and accrued interest to the redemption date, upon written notice to the Trustee and the Authority of its intention to prepay the applicable portion of the Loan with respect to such Series of the Series 2017 Bonds, which notice shall comply in all respects with the provisions of Sections 402 and 405 of the Bond Resolution. The County shall pay to the Trustee the amount of the Prepayment on a date at least thirty (30) days prior to the redemption date identified in the notice referred to herein for deposit by the Trustee in the applicable Account of the Debt Retirement Fund established for such Series of the Series 2017 Bonds to be applied to the redemption of such Series of the Series 2017 Bonds in accordance with Section 509 of the Bond Resolution.

In addition, pursuant to Section 205 of the Bond Resolution, the Authority shall have the right to effectuate a refunding of any Series of the Series 2017 Bonds through the issuance of Refunding Bonds, and the County shall consent, in a writing addressed to the Authority, to the issuance of such Refunding Bonds prior thereto.

**SECTION 5.07. Payment on Termination of Loan Agreement.** The Authority agrees that, upon termination of this Loan Agreement, after first deducting any moneys due to the Authority for the Authority Administrative Expenses incurred or accruing including, but not limited to, the Annual Authority Administrative Fee, or due to the Fiduciaries for fees and expenses of the same, and so long as no Series of Bonds remain Outstanding and payment therefor has been provided for in full, the Authority shall direct the payment to the County of all moneys or securities held by the Trustee for the account of the Authority pursuant to the Bond Resolution and this Loan Agreement. If such expenses are not fully met from such payment by the Trustee to the Authority, the County shall immediately reimburse the Authority therefor.

**SECTION 5.08. Indemnification of Authority.** Both during the Loan Term and thereafter, to the extent permitted by law, the County shall indemnify and hold the Authority harmless against, and the County shall pay, any and all liability, loss, cost, damage, claim, judgment or expense, of any and all kinds or nature and however arising, (i) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, which the Authority 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 mixed, or upon or arising out of contracts entered into by the County relating to the 2017 Project, or arising out of the use, operation or maintenance of the 2017 Project pursuant to this Loan Agreement; or (ii) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers,

agents, servants or employees, arising out of or caused by any untrue or misleading statement of a material fact relating to the County in Appendix A of the Official Statement or any omission of any material fact relating to the County in Appendix A in the Official Statement. It is mutually agreed by the County and the Authority that neither the Authority nor its members, professionals, officers, agents, servants or employees shall be liable in any event for any action performed or omitted to be performed under this Loan Agreement and that the County shall save the Authority harmless from any claim or suit of whatsoever nature arising hereunder and under any of the other Loan Documents except for such claims or suits arising as a result of the Authority's gross negligence or willful misconduct. This provision shall survive the end of the Loan Term and the final maturity of all Bonds issued and Outstanding pursuant to the Bond Resolution and any Supplemental Resolutions.

The County, at its own cost and expense, shall defend any and all such claims, suits and actions which may be brought or asserted against the Authority, its members, professionals, officers, agents, servants or employees relating to the performance of its 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 Loan Agreement from its obligation to defend the County, the Authority, the Trustee and any other insured named in such policy or policies of insurance in connection with claims, suits or actions covered by such policy or policies. The County agrees that it shall give the Authority and the Trustee prompt notice, in writing, of the County's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action.

The Authority agrees that it:

- (i) shall give the County prompt notice, in writing, of the Authority's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action;
- (ii) shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action; and
- (iii) 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 Authority 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 Authority's prior approval, which approval shall not be unreasonably withheld.

Any cost for attorneys' fees in situations where it is necessary for the Authority to engage its own attorneys, experts' testimony costs and all costs to defend the Authority or any of its members, professionals, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Authority by the County and shall constitute an Additional Loan Payment pursuant to Section 5.02(B)(i) hereof.

**SECTION 5.09. Nature of Obligations of the Authority.** The cost and expense of the performance by the Authority of any of its obligations under this Loan Agreement shall be limited to the availability of the proceeds of the Series 2017 Bonds of the Authority issued for

such purposes or from other funds received by the Authority under this Loan Agreement and available for such purposes.

**SECTION 5.10. Financial Reports.** The County covenants to provide annually to the Authority and the Trustee within sixty (60) days after the same become available: (i) current financial statements; (ii) the adopted budget for the ensuing Fiscal Year; and (iii) such other financial information relating to the ability of the County to continue to meet its obligations under this Loan Agreement as may be reasonably requested by the Authority and/or the Trustee.

**SECTION 5.11. Performance Bonds and Other Financial Guaranty.** To the extent required in connection with the undertaking of the 2017 Capital Program, any performance bond, 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 5.11 shall be made payable to the County, the Authority and the Trustee, as their respective interests may appear. Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to this Section 5.11 and due and owing to the County shall be paid to the Trustee for deposit in the 2017A Account in the Acquisition Fund (in accordance with written instructions from the Authority as directed in writing by the County) to complete the 2017 Capital Program. Any such moneys not necessary to complete the 2017 Capital Program or not so applied, as stated in a certificate executed by an Authorized County Representative delivered to the Trustee, shall be transferred by the Trustee to the 2017A Account in the Proceeds Fund and applied as a credit toward the County's Loan Payment obligations with respect to the Series 2017A Bonds on the next succeeding Series 2017A Bonds Loan Payment Date, in accordance with Section 507(2) and (3) of the Bond Resolution.

**SECTION 5.12. Net Loan Agreement.** This Loan Agreement shall be deemed and construed to be a "net loan agreement," and the County shall pay absolutely net during the Loan Term the Loan Payments and all other payments required under this Loan Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

**SECTION 5.13. County Budget Notice; Loan Payments.** The County shall cause the officials of the County responsible for preparing and presenting to the Board of Chosen Freeholders the budget request for each Fiscal Year to include in each such budget request the Loan Payments scheduled to become due in such Fiscal Year. The County shall give the Authority and the Trustee immediate written notice (but in no event later than one (1) Business Day thereafter) of (i) the first reading of any budget ordinance that does not include sufficient amounts to pay the Loan Payments due in such Fiscal Year; or (ii) the occurrence of any other event which reasonably indicates that sufficient amounts for Loan Payments may not be included in a County budget.

By execution hereof, the County expressly acknowledges the Authority's right to bring an action for immediate *ex parte* injunctive relief or other judicial proceeding to compel the County to provide payments pursuant to the Guaranty.

**SECTION 5.14. Secondary Market Disclosure.** The County covenants that, as an Obligated Person pursuant to Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof (collectively, the "Rule"), it will execute and deliver a Continuing Disclosure Agreement to be entered into with the Trustee, acting as dissemination agent ("Continuing Disclosure Agreement"). The Continuing Disclosure Agreement will set forth the obligations of the County to file budgetary, financial and operating data on an annual basis and notices of the occurrence of certain enumerated events.

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## ARTICLE VI

### SPECIAL COVENANTS

**SECTION 6.01. Compliance With Laws and Regulations.** The County will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements which may be applicable to the County, the 2017 Capital Program or the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or the use or manner of use of the 2017 Capital Program or the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds provided that the County shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and will not result in a material, adverse detriment to the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds and provided further that such contest will not result in a forfeiture or reversion of title. 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 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds provided that the County shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and provided further that it will not result in a material, adverse detriment to the 2017 Capital Program or the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds or result in a forfeiture or reversion of title.

**SECTION 6.02. 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, any Item comprising the 2017 Capital Program or the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds.

**SECTION 6.03. Right of Inspection.** The County covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to inspect the properties comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds at all reasonable times during regular business hours for the purpose of inspecting same, upon not less than twenty-four (24) hours prior telephonic or written notice from the Authority, except that entry may be made at any time without notice in the event of an emergency.

**SECTION 6.04. Condition of the 2017 Project.** The Authority makes no representations whatsoever in connection with the condition of any Item comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, and the Authority shall not be liable for any defects therein.

**SECTION 6.05. Assignment of Loan Agreement by the County.** This Loan Agreement may not be assigned in whole or in part by the County without the prior written consent of the Authority, which consent shall not be unreasonably withheld, and upon receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that any such assignment shall not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the Series 2017 Bonds. No such disposition or assignment shall relieve the County from primary liability for any of its obligations hereunder or

under any of the other Loan Documents, and in the event of any such disposition or assignment the County shall continue to remain liable for the payments specified in this Loan Agreement and for performance and observance of the other agreements on its part herein and therein provided.

**SECTION 6.06. Sale, Lease or Sublease.** (A) The County shall not sell, exchange, transfer, lease or sublease any Item comprising the 2017 Capital Program or the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or any portion thereof or interest therein, respectively, without (i) the prior written consent of the Authority, which consent shall not be unreasonably withheld, and (ii) the receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that such sale, exchange, transfer, lease or sublease will not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the Series 2017 Bonds. No sale, exchange, transfer, lease or sublease shall reduce the County's obligations hereunder or under the Guaranty.

(B) Any moneys received by the County from the sale, exchange, transfer, lease or sublease of any Item comprising the 2017 Capital Program, or any portion thereof or interest therein, undertaken in accordance with the provisions hereof shall be deposited in the 2017A Account in the Acquisition Fund for the Series 2017A Bonds held by the Trustee and shall be applied, at the County's written direction (with a copy to the Authority and the Trustee), (i) to the costs of other capital improvements designated by the County, in writing (with a copy to the Authority and the Trustee) or (ii) as a credit toward the County's Series 2017A Bonds Loan Payment obligations in accordance with the provisions of Sections 506 and 508 of the Bond Resolution and used to pay Debt Service on the Series 2017A Bonds.

(C) Any moneys received by the County from the sale, exchange, transfer, lease or sublease of the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or any portion thereof or interest therein, shall be applied as provided in the Series 2013 Loan Agreement and the Trustee shall, if necessary for purposes of clause (i) hereof, create a 2017B Account in the Acquisition Fund for the Series 2017B Bonds into which it shall deposit such moneys to be applied, at the County's written direction (with a copy to the Authority and the Trustee): (i) to the costs of other capital equipment or improvements designated by the County, in writing (with a copy to the Authority and the Trustee); or (ii) as a credit toward the County's Series 2017B Bonds Loan Payment obligations in accordance with the provisions of Sections 506 and 508 of the Bond Resolution and used to pay Debt Service on the Series 2017B Bonds.

**SECTION 6.07. Cooperation by the County.** The County shall give the Authority its full cooperation and assistance in all matters relating to financing of the Costs of the 2017 Project.

The County agrees that it shall provide and certify, or cause to be provided and certified, in form satisfactory to the Authority, such information concerning the County, the 2017 Capital Program and the Series 2013 Refunding Program, the operations and finances of the County and such other matters necessary to enable the Authority to complete and publish the Official Statement relating to the sale of the Series 2017 Bonds, or to enable the Authority to make any reports required by law or governmental regulations.

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operations at or related to each Item comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds.

(e) Acquire, operate, use and maintain each Item comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds in accordance with all applicable federal, State, County and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter including, but not limited to, the Americans with Disabilities Act and applicable Environmental Laws, workers' compensation, sanitary, safety, non-discrimination and zoning laws, ordinances, rules and regulations as shall be binding upon the County and which might adversely affect its activities or its financial condition.

(f) Furnish to the Authority and the Trustee the following:

(i) no later than sixty (60) days after the receipt and acceptance thereof by the County, a detailed audit report for the preceding Fiscal Year, certified by certified independent public accountants selected by the County, presenting the County's revenues and expenses at the close of the preceding Fiscal Year and the results of its operations during said Fiscal Year; and

(ii) as soon as possible, and in any event within five (5) days, after the occurrence of each Event of Default (as such term is defined herein pursuant to Section 8.01 hereof) hereunder within the knowledge of the County, or each event within the knowledge of the County which, with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder, a statement of an Authorized County Representative setting forth details of such Event of Default or event(s) and the action which the County proposes to take with respect thereto.

**SECTION 6.12. Delivery of Documents.** Concurrently with the delivery of this Loan Agreement and the other Loan Documents and the issuance of the Series 2017 Bonds, the County shall cause to be delivered to the Authority each of the following items:

- (i) opinions of County Counsel and County Bond Counsel in form and substance satisfactory to the Authority;
- (ii) counterparts of this Loan Agreement duly executed by the parties hereto;
- (iii) copy of the Loan Ordinance, certified by an Authorized County Representative;
- (iv) the Loan Documents duly executed by the respective parties thereto;
- (v) copy of the Guaranty, certified by an Authorized County Representative;
- (vi) a copy of the Continuing Disclosure Agreement duly executed by the parties thereto; and
- (vii) such other certificates, documents, opinions and information as the Authority may reasonably require in connection with the execution, delivery and

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**SECTION 6.08. Full Faith and Credit Pledge.** The County unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of the principal and redemption premium, if any, of the Loan, the interest on the Loan and all other amounts due under this Loan Agreement according to the terms hereof.

**SECTION 6.09. Compliance With Laws.** The parties to this Loan Agreement agree to comply with all laws (including, but not limited to, Environmental Laws) of the United States and the State or other governmental bodies or entities having jurisdiction over the County, the 2017 Project (including the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds) or this Loan Agreement and applicable to the performance of this Loan Agreement.

**SECTION 6.10. Federal Tax Covenants.** The County hereby covenants not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations, including the Series 2017 Bonds, to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Tax-Exempt Obligations. The County further covenants that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations, including the Series 2017 Bonds, which would cause such Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The County further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The County further covenants not to cause any Series of Tax-Exempt Obligations, including the Series 2017 Bonds, to become "private activity bonds" (within the meaning of Section 141 of the Code).

**SECTION 6.11. Affirmative Covenants.** So long as the Series 2017 Bonds remain Outstanding, the County will, unless the Authority shall otherwise consent in writing:

(a) Preserve and maintain its legal existence, rights, franchises and privileges.

(b) Comply with the requirements of all applicable laws, rules, regulations, ordinances and orders of any governmental authority, the non-compliance with which would reasonably be expected to materially and adversely affect its operations or financial condition, provided that the County shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings.

(c) Maintain and preserve, or cause to be maintained and preserved, in good working order and condition (the latter to the extent applicable) each Item comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds or any portion thereof necessary or useful in the proper conduct of its operation.

(d) Maintain and keep in effect or cause to be maintained and kept in effect any approvals, licenses, permits and similar documents necessary in the proper conduct of its

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implementation of this Loan Agreement, the Guaranty, the Escrow Deposit Agreement and the other Loan Documents, the financing of the 2017 Project and the issuance of the Series 2017 Bonds.

**SECTION 6.13. Information.** The County agrees, whenever reasonably requested by the Authority or the Trustee, to provide and certify or cause to be provided and certified such information concerning the 2017 Capital Program and the Series 2013 Refunding Program, the financing of the 2017 Project, the County and its financial condition, and other topics as the Authority may reasonably request and, further, the County assures that the records and accounts of the County shall at all reasonable times and upon reasonable notice, be subject to inspection and use of the Authority and the Trustee and their respective agents and attorneys.

**SECTION 6.14. Rebate Covenant.** (A) Within forty-five (45) days of the end of each fifth anniversary date of the issuance of any Series of Tax-Exempt Obligations, the Authority shall retain or shall cause to be retained a firm of certified public accountants or a financial consulting firm which is experienced in the calculation of the amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code or the penalty amount in lieu of rebate elected by the Authority under Section 148(f)(4)(C)(vii) of the Code ("Financial Consultant"), to compute the amount rebateable or payable as a penalty to the United States of America, if any, and will cause to be delivered to the Trustee an opinion of such Financial Consultant concerning its conclusions with respect to the amount rebateable or payable as a penalty to the United States of America, together with a written summary of the calculations thereof. The County shall pay to the Trustee at such times as required under the Code an amount equal to the amount rebateable or payable as a penalty to the United States of America for deposit by the Trustee into the Account established within the Rebate Fund for such Series of Tax-Exempt Obligations. To the extent the amounts on deposit in said Account within the Rebate Fund as of any date of computation are less than the amount rebateable or payable as a penalty to the United States of America, the County shall immediately pay the amounts necessary to the Trustee for deposit in said Account within the Rebate Fund.

(B) The amounts in the Rebate Fund shall be applied at the times and in the amounts required under the Code solely for the purpose of paying the United States of America in accordance with Section 148(f) of the Code.

(C) With respect to each Series of Tax-Exempt Obligations, the County covenants and agrees that it will comply with the requirements of the Code relating to the investment restrictions on the proceeds of such Series of Tax-Exempt Obligations and the calculation of the amount rebateable or payable as a penalty to the United States of America and payment thereof under the Code.

(D) The Authority shall have the right at any time and from time to time, in its sole and absolute discretion, to obtain from the County and the Trustee the information necessary to determine the amount to be paid to the United States of America. Additionally, the Authority may (1) review or cause to be reviewed any determination of the amount to be paid to the United States of America made by or on behalf of the County; and (2) make or retain a Financial Consultant to make the determination of the amount to be paid to the United States of America. The County hereby agrees to be bound by any such review or determination, to pay the costs of such review including, without limitation, the reasonable fees and expenses of any professional including, but not limited to, counsel or Financial Consultants retained by the Authority, and to

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pay to the Trustee any additional amounts as Additional Loan Payments for deposit into the Account established within the Rebate Fund for such Series of Tax-Exempt Obligations required as the result of any such review or determination.

(E) Notwithstanding any provision of this Section 6.14 to the contrary, the County shall be liable, and shall indemnify and hold the Authority harmless against any liability, for payments due to the United States of America pursuant to Section 148(f) of the Code. Further, the County specifically agrees that the Authority shall not be held liable, or in any way responsible, for any mistake or error in the filing of the payment or the determination of the amount due to the United States of America or for any consequences resulting from any such mistake or error.

(F) The Authority and the County recognize that the provisions of this Section 6.14 are intended to comply with Section 148 of the Code and if, as a result of a change in such Section of the Code or in the interpretation thereof, a change in this Section 6.14 shall be permitted or necessary to assure continued compliance with Section 148 of the Code, then with written notice to the Trustee, the Authority and the County shall be empowered to amend this Section 6.14 and the Authority may require, by written notice to the County and the Trustee, the County to amend, and the County hereby agrees to consent to, comply with and be bound by any such amendment to this Section 6.14 to the extent necessary or desirable to assure compliance with the provisions of Section 148 of the Code; provided that either the Authority or the Trustee shall require, prior to any such amendment becoming effective, at the sole cost and expense of the County, a Favorable Opinion of Bond Counsel satisfactory to the Authority to the effect that either (i) such amendment is required to maintain the exclusion from gross income under Section 103 of the Code of interest paid and payable on any Series of Tax-Exempt Obligations or (ii) such amendment shall not adversely affect the exclusion from gross income under Section 103 of the Code of interest paid or payable on such Series of Tax-Exempt Obligations.

(G) Notwithstanding anything herein or in the Bond Resolution to the contrary, the obligations of the County under the provisions of this Section 6.14 shall survive the payment, redemption or defeasance of such Series of Tax-Exempt Obligations until the expiration of all statutes of limitations applicable to the Authority with respect to such Series of Tax-Exempt Obligations and Section 148 of the Code.

**SECTION 6.15. Negative Covenants.** So long as the Series 2017 Bonds remain Outstanding, the County shall not, without the written consent of the Authority:

(a) Amend, modify, terminate or supplement, or permit the amendment, modification, termination or supplementation of, this Loan Agreement or the other Loan Documents.

(b) With respect to any Item comprising part of the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, enter into any management or operating contract with a term greater than twelve (12) months with any entity or Person.

(c) Permit any action to occur which would be in direct violation of any and all applicable federal, State, County and municipal laws, ordinances, rules and regulations now

in force or hereinafter enacted, including applicable Environmental Laws, the regulations of the Authority and the regulations of the State Department of Environmental Protection.

The County shall use its best efforts to give immediate written notice, in the manner provided in Section 9.11 hereof, to the Authority and the Trustee, of any inquiry, notices of investigation or any similar communication from the State Department of Environmental Protection and the United States Department of Environmental Protection regarding violation of any applicable Environmental Laws.

**SECTION 6.16. Third-Party Beneficiaries.** To the extent this Loan Agreement confers upon or gives or grants to the Bondholders or the Trustee any right, remedy or claim under or by reason of this Loan Agreement, the Bondholders and the Trustee are hereby explicitly recognized as being third-party beneficiaries hereunder, and may enforce any such right, remedy or claim conferred, given or granted to them hereunder.

**SECTION 6.17. Assignment and Transfer by Authority.** The County hereby expressly acknowledges that the Authority's right, title and interest in, to and under this Loan Agreement have been assigned to the Trustee as security for the Series 2017 Bonds as provided in the Bond Resolution, and that if any Event of Default shall occur, the Trustee or any bond insurer, if applicable, pursuant to the Bond Resolution, shall be entitled to act hereunder and thereunder in the place and stead of the Authority. The County hereby acknowledges the requirements of the Bond Resolution applicable to the Series 2017 Bonds and consents to such assignment and appointment. This Loan Agreement, including, without limitation, the right to receive payments required to be made by the County hereunder and to compel or otherwise enforce observance and performance by the County of its other duties, covenants, obligations and agreements hereunder, may be further transferred, assigned and reassigned in whole or in part to one or more assignees or subassignees by the Trustee at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the County.

The County hereby approves and consents to any assignment or transfer of this Loan Agreement that the Authority deems to be necessary in connection with any refunding of the Series 2017 Bonds.

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## ARTICLE VII

### **INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION**

**SECTION 7.01. Operation, Maintenance and Repair.** During the Loan Term, the County shall be responsible for, and shall pay all costs of, maintaining, preserving and keeping the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds in good repair, working order and condition and protect the same from deterioration and for making all necessary repairs and replacements thereto in compliance with the requirements of applicable laws, ordinances and regulations and the requirements of any insurance or self-insurance program required under Section 7.05 hereof with respect to the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds. Neither the Authority nor the Trustee shall have any obligation in any of these matters, or for the making of improvements or additions to the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds.

**SECTION 7.02. Utilities, Taxes and Governmental Charges.** The County will pay or cause to be paid any and all charges for the operation and maintenance of the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds including, but not limited to, as applicable, water, electricity, light, heat or power, sewage, utility service, rendered or supplied upon or in connection with the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds during the Loan Term.

In addition, the County shall (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any federal, State or any municipal government upon the Authority or the County with respect to or upon the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or any part thereof, or upon any payments hereunder when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds; (c) not create or suffer to be created any lien or charge upon the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or any part thereof, or upon the payments in respect thereof pursuant to this Loan Agreement; and (d) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or any part thereof, or upon any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments hereunder. The County shall, to the extent permitted by law, undertake all reasonable action necessary to obtain and preserve the legal exemption of the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds from the levy of taxes and assessments.

**SECTION 7.03. Additions, Enlargements and Improvements.** The County shall, with the prior written approval of the Authority, have the right at any time and from time to time during the Loan Term, at its own cost and expense, to make such enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds as the County shall deem necessary or desirable in connection with the use of Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds; provided, however, that prior to making any such enlargements, improvements and expansions to, or repairs, reconstruction or restorations of, the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, the County shall obtain all necessary permits and approvals relating thereto, respectively. 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 operation, maintenance or value of the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds shall at all times be free of liens for labor and materials supplied thereto.

**SECTION 7.04. Additional Rights of the County.** The Authority agrees that the County shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense such equipment and personally in or upon the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds as may, in the County's judgment, be necessary and advisable for its purposes. It is further understood and agreed that anything erected or installed under the provisions of this Section 7.04 shall be and remain the personal property of the County and shall not become part of the respective Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, and may be removed, altered or otherwise changed as long as such removal does not cause substantial damage to the respective Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, upon or before the termination of this Loan Agreement.

**SECTION 7.05. Insurance.** With respect to the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or any portion thereof, as the case may be, the County hereby assumes the entire risk of loss thereof from any and every cause whatsoever including, but not limited to, damage to or the destruction of such Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or any portion thereof, by fire or any other casualty or the taking of title to or the temporary use of such Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, or any portion thereof, as the case may be, or the interest of the County therein under the exercise of the power of eminent domain by any governmental body *de jure* or *de facto* or by any Person acting under governmental authority. At its own expense, the County shall cause casualty, public liability and all-risk property damage insurance to be carried and continuously maintained, or shall demonstrate (upon request) to the satisfaction

of the Authority and the Trustee that adequate self-insurance is provided with respect to the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds sufficient in the aggregate to cover the full replacement cost of such Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds or to pay the applicable value thereof, and to protect the Authority and the Trustee from liability in all events. Any casualty or property damage insurance policies shall include a standard non-contribution mortgagee clause in favor of and satisfactory to the Trustee and any liability insurance shall be for the benefit of the Trustee and the Authority as named insureds, as their interests may appear. All policies shall require that not less than thirty (30) days written notice of cancellation or material change will be given to the Trustee. The Authority and the Trustee agree to accept allocated value blanket insurance policies, provided however, that any casualty or property damage insurance policies maintained pursuant to this Section 7.05 shall be so written or endorsed as to make losses, if any, with respect to the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds payable to the Trustee and applied as provided in Sections 7.06 or 7.07 hereof, as applicable. The County will provide a copy of a blanket insurance policy or policies to the Authority and the Trustee as evidence of such coverage. If the County maintains a program of self-insurance for similar properties, the County may insure the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds in its self-insurance program and provide an adequate insurance fund to pay losses.

The County agrees to deliver annually to the Authority and the Trustee not later than December 15 of each year a certificate dated as of December 1 of such year setting forth not less than the following: (i) a schedule of all insurance policies then in effect, including the names of the insurance companies, the risks covered, the periods for which such policies are in effect and the amounts of any coverage and the deductibles, if any; (ii) if certain risks are covered by self-insurance programs of the County, a schedule identifying what risks are so covered; and (iii) a statement that all such insurance policies or self-insurance programs comply with the provisions of this Section 7.05 and are in full force and effect.

The Trustee shall promptly notify the Authority if such certificate is not received by December 31 of each year. All insurance policies shall be held by the County and shall be open to the inspection of the Trustee and its representatives at all reasonable times, although absent contrary directions from the Authority, no such inspection shall be required of the Trustee. The net Proceeds of the insurance required in this Section 7.05 shall be applied as provided in Sections 7.06 and 7.07 hereof.

**SECTION 7.06. Damage or Destruction.** The County agrees to immediately notify the Authority and the Trustee in the case of damage to or destruction of any of the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or any portion thereof) resulting from fire or other casualty during the Loan Term. So long as no Event of Default has occurred and is continuing hereunder, the County may, with the prior consent of the Authority (which consent shall not be unreasonably withheld), repair, reconstruct and restore any of the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or any portion thereof). In such event, the County shall proceed forthwith to repair, reconstruct and restore any Items comprising the 2017 Capital Program and the capital

assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or any portion thereof) to substantially the same condition as existed prior to the event causing such damage or destruction. As long as no Event of Default has occurred and is continuing hereunder, any such net Proceeds of insurance relating to such damage or destruction shall be deposited in the respective 2017 Account in the Acquisition Fund (including any 2017B Account to be established by the Trustee in the Acquisition Fund at the written request of the Authority and the County in connection with the receipt of Proceeds of insurance relating to such damage or destruction of any of the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds) for the applicable Series of the Series 2017 Bonds and applied by the Trustee, and used as directed by the County, for the payment of the Cost of such repair, reconstruction and restoration, in the same manner and upon the same conditions as set forth in the Bond Resolution for the payment of the Cost of the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds. Any Proceeds of insurance remaining following the repair and restoration of any Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds shall be transferred by the Trustee upon written direction of an Authorized County Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the County for the applicable Series of the Series 2017 Bonds in accordance with the provisions of Section 503(2) of the Bond Resolution. The County shall complete the repair, reconstruction and restoration of any Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or any portion thereof), whether or not the Proceeds of insurance received by the County are sufficient to pay for the same.

In the event the Authority does not consent to the repair, reconstruction and restoration of any Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or any portion thereof) then, in such event, the County shall be under no obligation to repair, reconstruct and restore such Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or any portion thereof) and the net Proceeds of insurance relating to such damage or destruction shall be deposited in the respective 2017 Account in the Debt Service Fund for the applicable Series of the Series 2017 Bonds and applied by the Trustee in accordance with the provisions of the Bond Resolution with respect thereto.

If an Event of Default has occurred and is continuing hereunder, any such Proceeds of insurance shall be deposited with the Trustee in the respective 2017 Account in the Debt Service Fund for the applicable Series of the Series 2017 Bonds and shall be applied by the Trustee in accordance with the provisions of Section 903 of the Bond Resolution.

**SECTION 7.07. Condemnation.** This Loan Agreement and the interest of the County in the Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (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. The County hereby irrevocably assigns to the Authority, all right, title and interest of the County in and to the net Proceeds of any award, compensation or taking during the Loan Term. Such award shall be initially paid to the Authority for disbursement as hereinafter provided.

So long as no Event of Default has occurred and is continuing hereunder, the County shall use the net Proceeds of the award made in connection with such condemnation or taking for replacement of any Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or such portion thereof) and the County shall proceed forthwith to replace any Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or such portion thereof) necessary to complete the 2017 Capital Program or, in the event the 2017 Capital Program is completed in accordance with the provisions of Section 405 and 409 hereof or in the case of the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds, the net Proceeds shall be transferred by the County to the Trustee for deposit in the respective 2017 Account in the Proceeds Fund for the applicable Series of the Series 2017 Bonds and shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the County on each Loan Payment Date for the payment of Debt Service on the respective Series of the Series 2017 Bonds by the transfer of such net Proceeds to the respective 2017 Account in the Debt Service Fund for the applicable Series of the Series 2017 Bonds as set forth in a certificate of an Authorized County Representative filed with the Trustee at the time of the deposit of the net Proceeds into the respective 2017 Account in the Proceeds Fund for the applicable Series of the Series 2017 Bonds. In the event the County elects to replace any Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or such portion thereof) as described above, any such net Proceeds shall be deposited in the respective 2017 Account in the Acquisition Fund (including any 2017B Account to be established by the Trustee in the Acquisition Fund at the written request of the Authority and the County in connection with the receipt of Proceeds of any condemnation award relating to such condemnation or taking for replacement of any of the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds) for the applicable Series of the Series 2017 Bonds for application by the Trustee to pay the Cost of such replacement, in the same manner and upon the same conditions set forth in the Bond Resolution for the payment of the Cost of the Items comprising the 2017 Capital Program (or such portion thereof). Any Proceeds of an award remaining following replacement of any Items comprising the 2017 Capital Program and the capital assets originally financed with the proceeds of the Series 2013 Refunded Bonds (or such portion thereof) as provided herein shall be transferred by the Trustee upon written direction of an Authorized County Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the County for the applicable Series of the Series 2017 Bonds in accordance with the provisions of Section 503(2) of the Bond Resolution.

If an Event of Default has occurred and is continuing hereunder, any such condemnation award shall be deposited with the Trustee in the respective 2017 Account in the Debt Service Fund for the applicable Series of the Series 2017 Bonds and shall be applied by the Trustee in accordance with Section 903 of the Bond Resolution.

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## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**SECTION 8.01. Events of Default.** An "Event of Default" or a "default" shall mean, whenever such word or words are used in this Loan 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 required to be paid under Section 5.02(A) hereof;

(b) Failure by the County to pay when due any payments (other than payments under Section 5.02(A) hereof) to be made under this Loan Agreement, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the County by the Authority or the Trustee;

(c) [Reserved];

(d) Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder (other than as referred to in paragraphs (a) and (b) of this Section 8.01), 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 Authority 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 diligently pursued until the default is remedied; and provided further that the failure of the County to comply with the provisions of Section 5.14 hereof or the Continuing Disclosure Agreement shall not constitute an Event of Default hereunder;

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

(f) A petition is filed 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 Loan 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 filing and such dismissal shall be final and not subject to appeal; or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property shall be appointed by court order or take possession of the County's property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

The foregoing provisions of paragraph (d) of this Section 8.01 are subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of the State or any department, agency, political subdivision or official of either of them, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, blizzards, or other storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, partial or entire failure of utilities, or any cause or event not reasonably within the control of the County, the County is unable, in whole or in part, to carry out its agreements herein contained, the County shall not be deemed to be in default during the continuance of such inability. The County agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements, provided that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the County, and the County shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of an opposing party or parties when such course is, in the judgment of the County, unfavorable to the County.

If any Event of Default described in this Section 8.01 shall have occurred, and if no acceleration of the amounts payable hereunder shall have been declared pursuant to Section 8.02 hereof, and all amounts then due and payable hereunder are paid by the County and the County also performs all other things in respect of which it may have been in default hereunder and pays any reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees (or, in the case of a failure by the County to make a payment of the Annual Authority Administrative Fee, if the Authority shall extend the time for making such payment), then, and in every such case, such Event of Default shall be deemed to have been cured and the parties hereto shall be restored to their former respective positions; but no such curing of an Event of Default shall extend to or affect or constitute a waiver of any subsequent Event of Default or impair any right or remedy consequent thereon.

Notwithstanding the above, an Event of Default under this Article VIII shall not be construed as an Event of Default under the Bond Resolution.

**SECTION 8.02. Acceleration and Annulment Thereof; Opportunity to Cure Default.**

(A) If any Event of Default occurs hereunder, the Authority and the Trustee may, so long as the Guaranty is in full force and effect and no default by the County pursuant to the Guaranty has occurred and is continuing, upon written notice to the County, declare all amounts payable during the Loan Term in respect of the unpaid principal balance of the Loan made hereby, together with all interest accrued and all other amounts then payable to the Authority or the Trustee, to be immediately due and payable; and upon such declaration the said principal amount shall become due and payable immediately, anything in the Bond Resolution, the Series 2017 Bonds or this Loan Agreement to the contrary notwithstanding.

(B) If, after such declaration, all amounts due, which were due and payable prior to such declaration, are paid by the County and the County also performs all other things in respect of which it may have been in default hereunder and pays the reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees, then, and in every such case, the

Authority, by written notice to the County and the Trustee and subject to the provisions of the Bond Resolution, may annul such declaration and its consequences and the County, the Authority and the Trustee shall be restored to their respective former positions and rights under the Bond Resolution; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Upon such payment and annulment, this Loan Agreement shall be fully reinstated as if it had never been accelerated.

**SECTION 8.03. Payments Under Guaranty.** (A) If an Event of Default referred to in Section 8.01(a) hereof shall have happened and be continuing and there remains outstanding Loan Payments which have not been paid by the County to the Trustee pursuant to the terms of this Loan Agreement (which determination shall be made by the Trustee as at the close of business on any Loan Payment Date), the Trustee, on behalf of the Authority, shall notify the Chief Financial Officer of the County or his designee, an Authorized County Representative and the Authority, in writing, not later than 4:00 p.m. on the first Business Day after such Loan Payment Date, of the failure of the County to pay its Loan Payment on the Loan Payment Date, which notice shall state the amount of any such deficiency as at the close of business on the Loan Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date and Principal Installment Date, as applicable. If the nonpayment of the County is not cured by the applicable Interest Payment Date and Principal Installment Date, as applicable, the County, pursuant to the terms of the Guaranty, shall pay to the Trustee, not later than such Interest Payment Date and Principal Installment Date, as applicable, any and all amounts in immediately available funds required to pay Debt Service on the Series 2017 Bonds for such Interest Payment Date and Principal Installment Date, as applicable. Notwithstanding the foregoing, the Authority and the Trustee shall undertake all diligent efforts to pursue the County and cause it to pay all amounts due and owing to the Authority under this Loan Agreement prior or subsequent to an Interest Payment Date and Principal Installment Date, as applicable.

(B) When written notice has been provided to the County by the Trustee as described above, the County shall take all actions, pursuant to the Guaranty necessary and permitted by law, to make payment of an amount equal to the deficiency owed, which amount, when added to available amounts on deposit in the Debt Service Fund, shall be sufficient to pay the principal of and interest on the Series 2017 Bonds due on the next ensuing Interest Payment Date and Principal Installment Date, as applicable.

**SECTION 8.04. Remedies.** Upon the occurrence of an Event of Default hereunder, the Authority may exercise any one or more of the remedies available to it under the terms of this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute separately or concurrently and as often as required to enforce the County's obligations hereunder. In addition to the other remedies provided in this Loan Agreement, the Authority shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, by the County of any of the covenants, conditions or provisions of this Loan Agreement, and to a decree compelling specific performance of any such covenants, conditions or provisions.

In case of any proceeding of the Authority wherein appointment of a receiver may be permissible, the Authority, as a matter of right and immediately upon institution of each proceeding, upon written notice to the County, shall be entitled to appointment of a receiver, with such powers as the court making such appointment can confer. Upon written demand, the

County shall pay to the Authority all expenses, including receiver's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 8.04 and all such expenses shall be secured by this Loan Agreement.

**SECTION 8.05. Cumulative Rights; No Implied Waiver.** No remedy conferred upon or reserved to the Authority or the Trustee by this Loan Agreement 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 Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute. No delay, omission or waiver by the Authority or the Trustee of any breach by the County of any of its obligations, agreements or covenants hereunder, shall be deemed a waiver of any subsequent breach, and no delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

**SECTION 8.06. No Duty to Mitigate Damages.** The Authority and the Trustee shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate damages if an Event of Default shall occur hereunder.

**SECTION 8.07. Employment of Attorneys.** If the Authority and the Trustee, in accordance with the terms of the Bond Resolution or this Loan Agreement so long as same remains in full force and effect, or as reasonably determined by said party, shall require and employ attorneys or incur other expenses for the collection of payments due or to become due or the enforcement or performance or observance of any obligation or agreement on the part of the County herein contained, the County shall, on demand thereof, pay to the Authority or the Trustee, as applicable, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee, or any of them.

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**ARTICLE IX**

**MISCELLANEOUS**

**SECTION 9.01. Successors and Assigns.** This Loan Agreement shall inure to the benefit of the County, the Authority and the Trustee and their respective successors and assigns and shall be binding upon the County, the Authority and the Trustee and their respective successors and assigns.

**SECTION 9.02. Amendments, Changes and Modifications.** Except as otherwise provided in this Loan Agreement and the Bond Resolution, subsequent to the issuance of the Series 2017 Bonds and prior to payment or provision for the payment of all Series 2017 Bonds in full and any other obligations incurred by the Authority to pay the Cost of the 2017 Project, including interest, premiums and other charges, if any, thereon, and payment or provision for the payment of Authority Administrative Expenses (including the Annual Authority Administrative Fee and the Project Management Fee (solely with respect to the 2017 Capital Program)), this Loan Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of the then Outstanding Bonds without the prior written consent of the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of the Outstanding Bonds, the consent of the Holders of which is required for any such amendment, change, modification, alteration or termination or to decrease the amount of any payment required to be made under this Loan Agreement or extend the time of payment thereof. This Loan Agreement may be amended, changed, modified and altered without the prior written consent of the Holders of the Outstanding Bonds to provide necessary changes only to cure any ambiguity, correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein, in connection with the issuance of one or more Series of Refunding Bonds pursuant to the Bond Resolution and applicable Supplemental Resolution or to provide other changes which will not adversely affect the interests of such Holders. No other amendment, change, modification, alteration or termination of this Loan Agreement shall be made other than pursuant to a written instrument signed by the Authority and the County and in accordance with the Bond Resolution and this Loan Agreement. Copies of any amendments to this Loan Agreement shall be filed with the Trustee.

For all purposes of this Section 9.02, the Trustee shall be entitled to rely upon a Favorable Opinion of Bond Counsel with respect to the extent, if any, as to which any action adversely affects the interests of any Holders of Bonds then Outstanding.

**SECTION 9.03. Amounts Remaining Under Bond Resolution.** Upon expiration of the Loan Term, it is agreed by the parties hereto that any amounts remaining in any Fund or Account created under the Bond Resolution for the benefit of the Series 2017 Bonds, after payment in full of the Series 2017 Bonds (or provisions for payment thereof having been made in accordance with the provisions of the Bond Resolution) and the unpaid or unreimbursed fees, charges and expenses of the Trustee, the Paying Agent, and the Authority (including Authority Administrative Expenses) in accordance with the Bond Resolution and this Loan Agreement, shall belong to and be paid to the County pursuant to Section 512 of the Bond Resolution provided, however, that the County is required to use such amounts solely to pay for



additional capital improvements. Notwithstanding the above, if the Series 2017 Bonds shall have been defeased in accordance with Section 1301 of the Bond Resolution, unclaimed funds remaining under the Bond Resolution for the benefit of the Series 2017 Bonds pursuant to Section 1302 thereof shall be released to the County free and clear of the lien and pledge of the Bond Resolution.

**SECTION 9.04. Counterparts.** This Loan 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 9.05. Headings.** The Article and Section headings in this Loan Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

**SECTION 9.06. Non-Waiver.** It is understood and agreed that nothing contained in this Loan 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 Loan Agreement.

**SECTION 9.07. Survival of This Loan Agreement.** Notwithstanding anything else to the contrary herein, the provisions of Sections 2.01(M), 4.06, 6.10 and 9.03 hereof shall survive the expiration of the Loan Term and the final maturity of the Series 2017 Bonds.

**SECTION 9.08. Assignment.** This Loan Agreement may not be assigned by the County except as provided in Section 6.05 hereof.

**SECTION 9.09. Severability.** Any provision of this Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any such jurisdiction.

**SECTION 9.10. Applicable Law.** This Loan Agreement shall be deemed to be a contract made in the State and governed by the laws of the State.

**SECTION 9.11. Notices.** All notices, consents, approvals and statements (including statements of amounts due hereunder) required to be given or authorized to be given by either party pursuant to this Loan Agreement shall be in writing, and shall be sent by facsimile transmission (with written confirmation of receipt and hard copy to follow in a manner described below) or shall be sent by personal delivery, registered or certified mail or recognized overnight delivery to the main office of the other party, (i) in case of the Authority, addressed to it at its office at Voorhees Town Center, 2220 Voorhees Town Center, Voorhees, New Jersey 08043 Attention: Executive Director (Fax No. (856) 566-3105), with copies to counsel to the Authority, presently, Maressa Patterson LLC, 191 West White Horse Pike, Berlin, New Jersey 08009 Attention: David Patterson, Esq. (Fax No. (856) 767-1471), and Bond Counsel to the Authority, presently, Parker McCay P.A., 9000 Midlantic Drive, Suite 300, P.O. Box 5054, Mount Laurel, New Jersey 08054-5054 Attention: Philip A. Norcross, Esq. (Fax No. (856) 988-8167); and (ii) in the case of the County and the Trustee, respectively, addressed to each at the address shown below:

If to the County:

County of Camden  
City Hall, 8<sup>th</sup> Floor  
520 Market Street  
Camden, New Jersey 08102  
Attention: County Administrator and Chief Financial Officer  
Fax No.: (856) 225-5319 and (856) 225-5298

If to the Trustee:

TD Bank, National Association  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08034  
Attention: Corporate Trust Services  
Fax No.: (856) 685-5267

or to such other representatives or addresses as the Authority, the County or the Trustee may designate, in writing.

Any such notice shall be effective on the third Business Day following the mailing thereof, or upon the date of receipt, whichever is earlier.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority 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 County Administrator and its official seal to be hereunto affixed, all as of the day and year first above written.

THE CAMDEN COUNTY  
IMPROVEMENT AUTHORITY

\_\_\_\_\_  
JAMES LEX, Secretary

By: \_\_\_\_\_  
WILLIAM R. HOSEY, Chairman

(SEAL)

COUNTY OF CAMDEN, NEW JERSEY

\_\_\_\_\_  
KARYN GILMORE, Clerk of the  
Board of Chosen Freeholders

By: \_\_\_\_\_  
ROSS ANGILELLA, Administrator

(SEAL)

EXHIBIT A-1

LOAN PAYMENT SCHEDULE – SERIES 2017A BONDS

**EXHIBIT A-2**

**LOAN PAYMENT SCHEDULE – SERIES 2017B BONDS**

**EXHIBIT B**

**FORM OF REQUISITION FOR PAYMENT**

**THE CAMDEN COUNTY IMPROVEMENT AUTHORITY**

**COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES A OF 2017**

**REQUISITION REF. NO. 20\_\_-\_\_\_\_\_**

I, the undersigned \_\_\_\_\_  
[INSERT TITLE] of the County of Camden, New Jersey ("County") DO HEREBY CERTIFY that I am an Authorized County Representative duly designated by the County to execute and deliver this certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY pursuant to and in accordance with the terms of a Loan and Security Agreement by and between The Camden County Improvement Authority ("Authority") and the County, dated as of November 1, 2017 ("Loan Agreement") as follows:

1. This requisition is Requisition No. 20\_\_-\_\_\_\_\_ and is to be paid in connection with the portion of the 2017 Capital Program described below:

2017 Capital Program Item Description:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Payment is to be made from the 2017A Account in the Acquisition Fund.

3. The name and address of the Person to whom payment is due is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[If such payment is to be made to the County for a reimbursable advance, insert the name and address of the Person to whom such advance was made together with proof of payment by the County.]

4. The amount to be paid to such Person named in Paragraph 3 above is \$\_\_\_\_\_.

[Attach description and invoice or billing reference.]

5. Each obligation, item of Cost or expense mentioned herein has been properly incurred, is a proper charge against the 2017A Account in the Acquisition Fund, is an item of Cost of the 2017 Capital Program, is unpaid or unreimbursed, and has not been the basis of any previously paid withdrawal or requisition.

6. The applicable State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the 2017 Capital Program pursuant to which payment is being requested have been complied with. [STRIKE OUT IF REQUISITION IS FOR PAYMENT OF COSTS OF ISSUANCE.]

7. If such payment is a reimbursement to the County for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the County, such amount mentioned herein to be paid does not exceed the actual cost thereof to the County. [STRIKE OUT IF REQUISITION IS FOR PAYMENT OF COSTS OF ISSUANCE.]

8. No uncured Event of Default has occurred under the Loan Agreement or the Bond Resolution and everything required to be performed by the County has been performed.

9. The County has received no written notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the Persons named herein, or if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of this requisition.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.

**COUNTY OF CAMDEN, NEW JERSEY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DATED: \_\_\_\_\_

**EXHIBIT C**  
**FORM OF COMPLETION CERTIFICATE**

**THE CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
**COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL PROGRAM), SERIES A OF 2017**

The Camden County Improvement Authority  
2220 Voorhees Town Center  
Voorhees, New Jersey 08043

TD Bank, National Association, as Trustee  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08034

Pursuant to Section 4.05 of the Loan and Security Agreement by and between the Authority and the County dated as of November 1, 2017 ("Loan Agreement"), the undersigned, an Authorized County Representative (all undefined terms used herein shall have the same meaning ascribed to them in the Loan Agreement), as of the date hereof, certifies that:

- (i) the portion of the 2017 Capital Program described below was completed as of \_\_\_\_\_, 20\_\_;

2017 Capital Program Item Description:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (ii) as of such date referenced in clause (i) above, except for amounts retained by the Trustee, at the County's direction, for any Cost of the 2017 Capital Program not now due and payable or, if due and payable, not presently paid, the Cost of all labor, services, materials and supplies used in the 2017 Capital Program have been paid, or will be paid from amounts retained by the Trustee, at the County's direction, for any Cost of the 2017 Capital Program not then due or payable, or if due and payable, not then paid;
- (iii) the County has paid the amount of \$ \_\_\_\_\_ toward the Costs of the 2017 Capital Program;
- (iv) the 2017 Capital Program is being operated and maintained as an authorized "public facility" under the Act; and
- (v) all permits, including a Certificate of Occupancy, if required or necessary for the utilization of the 2017 Capital Program, have been obtained and are in effect.

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Any amount hereafter remaining in the 2017A Account in the Acquisition Fund (except amounts therein sufficient to cover Costs of the 2017 Capital Program not now due and payable or not presently paid and except for interest or other income earned from the investment of the moneys held in the 2017A Account in the Acquisition Fund, if any) shall be transferred by the Trustee and shall be applied by the Trustee in accordance with Sections 4.05 and 4.09 of the Loan Agreement and Section 503(4) of the Bond Resolution and shall not be invested at a yield materially higher than the combined yield on the Series 2017 Bonds as provided in the Bond Resolution.

This certificate is given without prejudice to any rights against third parties which exist on the date hereof or which may subsequently come into being.

**COUNTY OF CAMDEN, NEW JERSEY**

By: \_\_\_\_\_  
Authorized County Representative

Dated: \_\_\_\_\_, 20\_\_

**EXHIBIT D**  
**CERTIFICATE AS TO AUTHORIZED COUNTY REPRESENTATIVE**

I, LOUIS CAPPELLI, JR., the duly appointed and acting Director of the Board of Chosen Freeholders of the County of Camden, New Jersey ("County") DO HEREBY CERTIFY that I am duly authorized under the Loan Agreement (as hereinafter defined) to execute and deliver this certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY as follows:

1. Ross Angilella is the Administrator of the County.
2. David McPeak is the Chief Financial Officer of the County.
3. The following individual(s) have each been designated as an Authorized County Representative in accordance with the provisions of the Loan Agreement and each is 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>
Ross Angilella	_____
David McPeak	_____

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in a Loan and Security Agreement dated as of November 1, 2017 by and between The Camden County Improvement Authority and the County ("Loan Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of November, 2017.

**COUNTY OF CAMDEN, NEW JERSEY**

By: \_\_\_\_\_  
**LOUIS CAPPELLI, JR., Director of the Board of Chosen Freeholders of the County**

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**EXHIBIT E**

**FORM OF REQUISITION TO BE USED  
WHEN 2017 CAPITAL PROGRAM COSTS EXCEED  
AMOUNTS IN 2017A ACCOUNT IN ACQUISITION FUND**

**THE CAMDEN COUNTY IMPROVEMENT AUTHORITY  
COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL  
PROGRAM), SERIES A OF 2017**

REQUISITION REF. NO. 20\_\_-\_\_\_\_

I, the undersigned \_\_\_\_\_ [INSERT TITLE] of the County of Camden, New Jersey ("County") DO HEREBY CERTIFY that I am an Authorized County Representative duly designated by the County to execute and deliver this certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY pursuant to and in accordance with the terms of the Loan and Security Agreement between The Camden County Improvement Authority ("Authority") and the County dated as of November 1, 2017 ("Loan Agreement") as follows:

1. This requisition is Requisition No. 20\_\_-\_\_\_\_.
2. The name and address of the Person to whom payment is due is:

\_\_\_\_\_  
\_\_\_\_\_

3. The amount to be paid to such Person named in Paragraph 2 above is \$\_\_\_\_\_.

[Add description and include invoice or billing reference]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. The item(s) of Cost of the 2017 Capital Program to which this requisition relates is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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5. \$\_\_\_\_\_ is the amount necessary to pay the Cost related to the 2017 Capital Program.

6. \$\_\_\_\_\_ is the amount of money the County has forwarded to the Trustee on behalf of the Authority for deposit in the 2017A Account in the Acquisition Fund to fund the balance of the Cost related to the 2017 Capital Program. [ATTACH CHECK FOR TRUSTEE, COPY OF THE CHECK FOR THE AUTHORITY]

7. Each item of Cost or expense mentioned in Paragraph 5 hereof has been properly incurred, is an item of Cost and is a proper charge against the 2017A Account in the Acquisition Fund and has not been the basis of any previous withdrawal.

8. The State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the 2017 Capital Program pursuant to which payment is being requested have been complied with.

9. No uncured Event of Default has occurred under the Loan Agreement or the Bond Resolution.

10. The County has received no written notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the Persons named herein, or if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of this requisition.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.

DATED: \_\_\_\_\_ COUNTY OF CAMDEN, NEW JERSEY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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**EXHIBIT F**

**TRUSTEE INFORMATION**

The name/address/phone number of the Trustee is:

TD Bank, National Association  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08034  
Attention: Corporate Trust Services  
Catherine M. Alessi, Vice President

Phone number: (856) 685-5105  
Fax number: (856) 685-5267

**EXHIBIT G**

**2017 Capital Program**

Category	Property and Equipment	Cost
Board of Taxation	GIS	\$35,000
Buildings and Operations	Bridgeview/Court House Renovations	6,500,000
Buildings and Operations	Human Services Building Design	2,550,000
Courts	Lower Level Maintenance Area Reconstruction	550,000
Courts	Suite 215-Renovations	40,000
Courts	Sidewalks	350,000
Courts	HVAC Upgrades-10-15 Units	30,000
Courts	Security Equipment-2nd Floor	80,000
Office of The Sheriff	Vehicles Purchase	211,000
Public Safety	CAD System Replacement Project	600,000
Corrections	Window Frame and Sill Replacement	460,372
Corrections	Replacement of Security Doors and Locks	120,000
Corrections	Upgrade Fire Alarm System	164,500
Corrections	HVAC Upgrades	480,000
Corrections	Tunnel Holding Cells	750,000
Corrections	Replace Water Valves	200,000
Corrections	Kitchen Equipment	80,000
Corrections	Replace Master Control Computer System	300,000
Corrections	New Showers	111,750
Corrections	Roof Replacement	100,000
Corrections	Electronic Detection System	40,000
Public Works	Emergency Roadway Construction	500,000
Public Works	Cross keys widening engineering services (year 4 project)	700,000
Public Works	Survey	160,000
Public Works	Engineering design unclassified	300,000
Public Works	Construction Management	450,000
Public Works	Emergency Bridge Design	150,000
Camden County Parks	Park Improvements Countywide	1,500,000
Camden County Parks	Ice/Skating rink in the Cooper River Park	1,000,000
Camden County Parks	General Park Improvements	300,000
Camden County Parks	Engineering Services for Various Projects	150,000
Camden County Parks	Countywide Playground Equipment Improvements	500,000
Camden County College	Construction of College Facility in Camden City	2,500,000
Camden County College	Renovations to Lincoln Hall	817,940
Superintendent of Schools	Office Computers	4,000
Finance Department	Computer Equipment	150,000

**APPENDIX D**

**Proposed Form of Opinion of Bond Counsel**

November 15, 2017

The Camden County Improvement Authority  
2220 Voorhees Town Center  
Voorhees, New Jersey

**RE: \$20,355,000 THE CAMDEN COUNTY IMPROVEMENT AUTHORITY  
COUNTY GUARANTEED LOAN REVENUE BONDS (COUNTY CAPITAL  
PROGRAM), SERIES A OF 2017**

**\$24,510,000 THE CAMDEN COUNTY IMPROVEMENT AUTHORITY  
COUNTY GUARANTEED LOAN REVENUE REFUNDING BONDS,  
SERIES B OF 2017**

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the issuance and sale by The Camden County Improvement Authority ("Authority") of: (i) \$20,355,000 aggregate principal amount of its County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017 ("2017A Bonds"); and (ii) \$24,510,000 aggregate principal amount of its County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017 ("2017B Bonds"; together with the 2017A Bonds, the "2017 Bonds").

The 2017 Bonds are issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey ("State") (*N.J.S.A. 40:37A-44 et seq.*), and the acts amendatory thereof and supplemental thereto ("Act"); (ii) a resolution of the Authority, duly adopted on September 14, 2017, entitled "Resolution of The Camden County Improvement Authority Authorizing the Issuance of County Guaranteed Loan Revenue Bonds and County Guaranteed Loan Revenue Refunding Bonds" ("Bond Resolution"); and (iii) a Certificate of Determination and Award ("Award Certificate"), duly executed by the Chairman of the Authority on November 2, 2017 in accordance with the terms of a resolution of the Authority adopted on September 14, 2017 ("Delegation Resolution"; together with the Bond Resolution and the Award Certificate, the "Resolution"), authorizing the execution of the Award Certificate and a bond purchase contract. Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the Bond Resolution, unless the context clearly requires otherwise.

The proceeds of the 2017A Bonds will be used to: (i) finance the Costs of a capital improvement program consisting of the acquisition and installation of certain items of capital equipment and the construction and equipping of certain capital infrastructure improvements by the County of Camden, New Jersey ("County"), as set forth in the County's 2016 and 2017

**COUNSEL WHEN IT MATTERS.<sup>SM</sup>**



Capital Budgets, including all necessary materials, improvements, appurtenances, and site work related thereto, all as more particularly described in Exhibit G to the Loan Agreement (as hereinafter defined) (collectively, the "2017 Capital Program"); and (ii) pay the costs of issuance with respect to the sale and delivery of the 2017A Bonds.

The proceeds of the 2017B Bonds will be used to: (i) advance refund \$24,815,000 aggregate principal amount of the Authority's outstanding County Guaranteed Loan Revenue Bonds (County Capital Program), Series 2013, maturing serially on January 15 in each of the years 2023 through 2029, both dates inclusive (collectively, the "Series 2013 Refunded Bonds") (the advance refunding of the Series 2013 Refunded Bonds is hereinafter referred to as the "Series 2013 Refunding Program"; together with the 2017 Capital Program, the "2017 Project"); and (ii) pay the costs of issuance with respect to the sale and delivery of the 2017B Bonds.

The Authority and the County have entered into a Loan and Security Agreement, dated as of November 1, 2017 ("Loan Agreement"), pursuant to which the Authority will lend to the County the proceeds of the 2017 Bonds for the purpose of paying the Costs of the 2017 Project and paying costs of issuing the 2017 Bonds, and the County will pay the Authority on each Loan Payment Date an amount equal to the principal of, redemption premium, if any, and interest on the 2017 Bonds and, as applicable, Additional Loan Payments as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement (collectively, the "Loan Payments").

The 2017 Bonds are direct, limited and special obligations of the Authority payable solely from the Revenues and secured by a lien on the Pledged Property of the Authority. The Revenues include, among other things, the Loan Payments to be made by the County under the Loan Agreement. The Loan Agreement is a valid and enforceable full faith and credit general obligation of the County and, unless paid from other sources, is payable from the levy of *ad valorem* taxes upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount. The 2017 Bonds are also secured by the provisions of a guaranty resolution, duly and finally adopted by the Board of Chosen Freeholders ("Board") of the County on September 19, 2017, pursuant to which the County has unconditionally and irrevocably guaranteed the payment, when due, of the principal of and interest on the 2017 Bonds ("County Guaranty"). The County, upon endorsement of each Series of the 2017 Bonds, will be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount when required under the provisions of applicable law and the County Guaranty for the payment, when due, of the principal of and interest on the 2017 Bonds.

Each Series of the 2017 Bonds is dated November 15, 2017, matures on January 15 in each of the years in the respective principal amounts set opposite each such year in the respective tables below and bears interest at the respective interest rates per annum below, payable semi-annually on January 15 and July 15, commencing on January 15, 2018, in each year until maturity or earlier redemption.





**2017A Bonds**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	\$605,000	2.00%	2029	\$905,000	5.00%
2019	560,000	3.00	2030	950,000	5.00
2020	580,000	4.00	2031	1,000,000	5.00
2021	605,000	5.00	2032	1,050,000	5.00
2022	635,000	5.00	2033	1,105,000	5.00
2023	670,000	5.00	2034	1,160,000	5.00
2024	705,000	5.00	2035	1,220,000	5.00
2025	740,000	5.00	2036	1,275,000	4.00
2026	775,000	5.00	2037	1,325,000	4.00
2027	815,000	5.00	2038	1,380,000	4.00
2028	860,000	5.00	2039	1,435,000	4.00

**2017B Bonds**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	\$340,000	3.00%	2026	\$3,485,000	4.00%
2023	3,205,000	4.00	2027	3,480,000	4.00
2024	3,335,000	4.00	2028	3,580,000	5.00
2025	3,510,000	4.00	2029	3,575,000	5.00

The 2017 Bonds are issued in fully registered book-entry-only form of one certificate for each maturity of each Series of the 2017 Bonds. The 2017 Bonds are subject to optional redemption prior to maturity in the manner and upon the terms and conditions set forth in the Resolution.

As Bond Counsel to the Authority, we have examined the Bond Resolution, Delegation Resolution, Award Certificate and such statutes of the State and such resolutions of the Authority and proceedings relating thereto as we have deemed necessary to enable us to render the opinions set forth below. We have also examined and relied upon the proceedings authorizing the issuance of the 2017 Bonds and the execution and delivery of the Loan Agreement, and certain certifications and agreements (including a Certificate as to Nonarbitrage and Other Tax Matters ("Nonarbitrage Certificate") executed by the Authority and the County with respect to the 2017 Bonds) intended to satisfy certain provisions of the Internal Revenue Code of 1986, as amended ("Code"), and applicable Treasury Regulations, rulings and court decisions, receipts and other documents which we have considered relevant. We have also examined a specimen of each of the 2017A Bond and 2017B Bond and have relied on certifications as to the execution and authentication of each Series of the 2017 Bonds. We have assumed that all documents, records and other instruments examined by us are genuine, accurate and complete and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation.



Based upon and subject to the foregoing, we are of the following opinion:

1. The Authority has been duly created and is validly existing under the provisions of the Constitution and the laws of the State, including the Act.

2. The Resolution has been duly adopted by the Authority and constitutes a valid and binding obligation of the Authority, enforceable in accordance with its terms except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium or other laws or other legal or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

3. The Loan Agreement has been duly authorized, executed and delivered by the Authority and, assuming that such agreement has been duly authorized, executed and delivered by the County and constitutes a legal, valid and binding obligation of the County, is a legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

4. The 2017 Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute a valid and binding obligation of the Authority, enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

5. Interest on the 2017 Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals or corporations pursuant to Section 55 of the Code.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of (i) the "adjusted current earnings" of a corporation over (ii) the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction).

Interest on tax-exempt obligations, including the 2017 Bonds, is not excludable in computing a corporation's "adjusted current earnings." Accordingly, a portion of any interest on the 2017 Bonds received or accrued by a corporation that owns the 2017 Bonds is included in computing such corporation's alternative minimum taxable income for such year.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the 2017 Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the 2017 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.



In rendering this opinion, we have assumed continuing compliance by (i) the Authority with the covenants contained in the Resolution, the Loan Agreement and the Nonarbitrage Certificate and (ii) the County with the covenants contained in the Loan Agreement and the Nonarbitrage Certificate, that each will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the 2017 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the County to comply with its respective covenants could result in the interest on the 2017 Bonds being subject to federal income tax retroactive to the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the 2017 Bonds.

Ownership of the 2017 Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The 2017 Bonds are *not* "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

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

6. Interest on the 2017 Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We call your attention to the fact that the 2017 Bonds are direct, limited and special obligations of the Authority payable solely from the Revenues which include, among other things, the Loan Payments to be made by the County under the Loan Agreement. The 2017 Bonds do not constitute a debt or obligation of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the County, to the extent of the Loan Payments due under the Loan Agreement and the County Guaranty), and neither the credit nor the taxing power of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the County, to the extent of the Loan Payments due under the Loan Agreement and the County Guaranty) is pledged for the payment of the principal of, redemption premium, if any, or interest on the 2017 Bonds. The Authority has no taxing power.



We note that the Authority has received opinions of County Counsel and McCarter & English, LLP, Newark, New Jersey, Bond Counsel to the County, as to the legal, valid and binding nature of the County Guaranty and the Loan Agreement as direct and general obligations of the County payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all taxable real property within the jurisdiction of the County, without limitation as to rate or amount.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the 2017 Bonds.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Authority and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

## **APPENDIX E**

### **Form of Continuing Disclosure Agreement**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this 15th day of November, 2017 by and between the County of Camden, New Jersey ("County") and TD Bank, National Association ("Dissemination Agent") which is also serving as: (i) trustee under a bond resolution duly adopted by The Camden County Improvement Authority ("Authority") on September 14, 2017, entitled "Resolution of The Camden County Improvement Authority Authorizing the Issuance of County Guaranteed Loan Revenue Bonds and County Guaranteed Loan Revenue Refunding Bonds" ("Loan Revenue Bond Resolution"); and (ii) trustee under a bond resolution duly adopted by the Authority on October 10, 2013, entitled "Resolution of The Camden County Improvement Authority Authorizing the Issuance of County Guaranteed Loan Revenue Bonds", as amended and supplemented to date. This Disclosure Agreement is entered into in connection with the issuance and sale of the Authority's tax-exempt: (i) \$20,355,000 aggregate principal amount of County Guaranteed Loan Revenue Bonds (County Capital Program), Series A of 2017 ("2017A Bonds") and (ii) \$24,510,000 aggregate principal amount of County Guaranteed Loan Revenue Refunding Bonds, Series B of 2017 ("2017B Bonds" and together with the 2017A Bonds, the "2017 Bonds").

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the 2017 Bonds (collectively, "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof, as it applies to the 2017 Bonds ("Rule").

**SECTION 2. Definitions.** In addition to the definitions set forth in the Loan Revenue Bond Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, capitalized terms shall have the following meanings:

**"Annual Report"** shall mean the County's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**"Commission"** shall have the meaning set forth in Section 1 of this Disclosure Agreement.

**"Continuing Disclosure Information"** shall mean, collectively, (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

**"EMMA"** shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2017 Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

**"Listed Events"** shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board.

**"National Repository"** shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

**"Opinion of Counsel"** shall mean a written opinion of counsel expert in federal securities law acceptable to the County.

**"Rule"** shall have the meaning set forth in Section 1 of this Disclosure Agreement.

**"Trustee"** shall mean TD Bank, National Association.

### **SECTION 3. Provision of Annual Report.**

(a) The County shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the County's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent, the Annual Report prepared for the preceding fiscal year of the County (commencing for the fiscal year ending December 31, 2017). Each Annual Report provided to the Dissemination Agent by the County shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the County, shall submit each Annual Report received by it to the National Repository and the Authority and thereafter shall file a written report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Agreement to the National Repository and the Authority and stating the date it was provided to the National Repository and the Authority.

(c) If the County fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the County advising of such failure. Whether or not such notice is given or received, if the County thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with copies of said notice to the County, the Authority, and the Trustee) to the National Repository in substantially the form attached as EXHIBIT "A" hereto.

**SECTION 4. Contents of Annual Report.** Annual Report shall mean: (i) the general financial information and operating data of the County consistent with the information set forth in Appendix "A" to the final Official Statement of the Authority, dated November 2, 2017 prepared in connection with the public offering and sale of the 2017 Bonds ("Official Statement") under the headings "COUNTY FINANCIAL OPERATIONS", "REVENUE SOURCES", "TAX INFORMATION" and "COUNTY DEBT INFORMATION"; and (ii) the County's annual

financial statements, audited by an independent certified public accountant, provided that the annual audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the County are included in the Annual Report. Each of the annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements and audited in accordance with generally accepted auditing standards as in effect from time to time in the United States of America, consistently applied.

**SECTION 5. Reporting of Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (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 2017 Bonds or other material events affecting the tax status of the 2017 Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) (a) 2017 Bond calls (excluding mandatory sinking fund redemptions), if material, or (b) tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2017 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the



County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County;

- (13) 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; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

In determining the materiality of any of the Listed Events specified in subsections (a)(2), (7), (8)(a), (10), (13) and (14) of this Section 5, the County may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(b) The County shall, in a timely manner not in excess of seven (7) Business Days after the occurrence of any Listed Event, notify the Dissemination Agent, in writing, to report the Listed Event pursuant to subsection (c) of this Section 5. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the County's obligation to provide, notification of the occurrence of any of the Listed Events.

(c) If the Dissemination Agent has been instructed by the County to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository, as specified by the County in written instructions to the Dissemination Agent, within three (3) Business Days of the receipt of such instruction (but in no event later than ten (10) Business Days after the occurrence of a Listed Event), with a copy of such notice provided by the Dissemination Agent to the County, the Authority, and the Trustee. In addition, notice of Listed Events described in subsections (a)(8) and (9) of this Section 5 shall be given by the Dissemination Agent under this subsection (c) simultaneously with the giving of the notice of the underlying event to holders of affected 2017 Bonds without any required notice from the County.

**SECTION 6. Termination of Reporting Obligations.** The reporting obligations of the County under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2017 Bonds or when the County is no longer an Obligated Person (as defined in the Rule) with respect to the 2017 Bonds.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provisions of this Disclosure Agreement, the County may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel addressed to the Authority, the County and the Dissemination Agent to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. The County shall

give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent (with a copy to the Authority) and the Dissemination Agent shall file such notice with the National Repository.

**SECTION 8. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 9. Prior Compliance With the Rule.** Except for those instances disclosed in the Official Statement under the caption "CONTINUING DISCLOSURE", the County covenants that it has not otherwise failed to comply, in all material respects, with any other previous undertakings to provide secondary market disclosure in accordance with the provisions of the Rule in the previous five (5) years.

**SECTION 10. Default and Remedies.** In the event of a failure of the County to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding 2017 Bonds and after provision of satisfactory indemnification in accordance with the Loan Revenue Bond Resolution, shall), or any beneficial owner of the 2017 Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed to be an Event of Default under the Loan Revenue Bond Resolution or the Loan Agreement (as defined in the Loan Revenue Bond Resolution), and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply with this Disclosure Agreement shall be an action to compel performance.

**SECTION 11. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent and the Bondholders, and each Bondholder is hereby declared to be a third party beneficiary of this Disclosure Agreement. Except as provided in the immediately preceding sentence, this Disclosure Agreement shall create no rights in any other person or entity.

**SECTION 12. Submission of Information to MSRB.** The County and the Dissemination Agent agree that all Continuing Disclosure Information filed with the National Repository in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

**SECTION 13. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the County:

County of Camden, New Jersey  
Courthouse  
520 Market Street  
Camden, New Jersey 08102  
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

TD Bank, National Association  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08003  
Attention: Corporate Trust Services

(iii) If to the Authority:

The Camden County Improvement Authority  
Voorhees Town Center  
2220 Voorhees Town Center  
Voorhees, New Jersey 08043  
Attention: Executive Director

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 13 for the giving of notice.

**SECTION 14. Compensation and Indemnification.**

(a) The County shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

(b) To the extent permitted by law, the County shall indemnify the Dissemination Agent in accordance with the provisions of Article X of the Loan Revenue Bond Resolution relating to compensation, reimbursement, immunities and liabilities of the Trustee, and such provisions shall apply to the duties and responsibilities of the Dissemination Agent under this Disclosure Agreement. The Dissemination Agent shall have no responsibility for the form or content of any material prepared by the County and filed pursuant to this Disclosure Agreement. In addition, the provisions of Article X of the Loan Revenue Bond Resolution relating to the

rights, duties and obligations of the Trustee are hereby incorporated herein for the benefit of the Dissemination Agent as if set forth in full herein.

**SECTION 15. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 16. Appointment, Removal and Resignation of the Dissemination Agent.**

(a) The County may discharge the Dissemination Agent and satisfy its obligations under this Disclosure Agreement without the assistance of a Dissemination Agent, or the County may discharge the Dissemination Agent and appoint a successor Dissemination Agent, in either case by giving not less than thirty (30) days' written notice to the Dissemination Agent (with a copy to the Authority).

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations under this Disclosure Agreement by giving not less than forty-five (45) days' written notice to the County and the Authority. Such resignation shall take effect on the date specified in such notice unless a replacement Dissemination Agent has not been appointed by the County, in which event, the Dissemination Agent shall continue to serve in such capacity until a successor has been appointed.

**SECTION 17. Severability.** If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

**SECTION 18. Successors and Assigns.** All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the County or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 19. Headings for Convenience Only.** The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

**SECTION 20. Governing Law.** This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

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**IN WITNESS WHEREOF**, the parties hereto have caused this Disclosure Agreement to be executed as of the date first written above.

**COUNTY OF CAMDEN, NEW JERSEY**

**By:** \_\_\_\_\_  
**ROSS ANGILELLA, Administrator**

**TD BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent**

**By:** \_\_\_\_\_  
**CATHERINE M. ALESSI, Vice President**

**EXHIBIT "A"**

**NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT**

Name of Issuer: The Camden County Improvement Authority  
("Authority")

Name of Bond Issue Affected: The Camden County Improvement Authority  
\$20,355,000 County Guaranteed Loan Revenue  
Bonds (County Capital Program), Series A of 2017  
  
\$24,510,000 County Guaranteed Loan Revenue  
Refunding Bonds, Series B of 2017

Date of Issuance of Affected Bond Issue: November 15, 2017

NOTICE IS HEREBY GIVEN that the County of Camden, New Jersey ("County") has not provided an Annual Report with respect to the above-named Bond Issue as required by Section 3 of the Continuing Disclosure Agreement, dated November 15, 2017, between the County and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The County anticipates that such Annual Report will be filed by\_\_\_\_\_.]

Dated:

TD BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

cc: County  
Authority  
Trustee