

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 21, 2021**

**NEW ISSUE-BOOK ENTRY ONLY**

**RATING: See "RATING" herein**

*In the opinion of Malamut & Associates, LLC, Bond Counsel to the Commission, based on certifications of the Commission and the County (each as hereinafter defined) and assuming continuing compliance with their respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Notes (as hereinafter defined), interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax. In the opinion of Bond Counsel, interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a full discussion.*

**BURLINGTON COUNTY BRIDGE COMMISSION  
(Burlington County, New Jersey)**

**\$56,995,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2021C**

**Consisting of:**

**\$11,655,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2021C-1  
(Non-Callable)  
and**

**\$45,340,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2021C-2  
(Non-Callable)**

**Dated: November 10, 2021 ("Date of Delivery")**

**Due: November 10, 2022**

The: (i) \$11,655,000\* aggregate principal amount of Commission Lease Revenue Notes (Governmental Leasing Program), Series 2021C-1 (the "2021C-1 Notes"); and (ii) \$45,340,000\* Commission Lease Revenue Notes (Governmental Leasing Program), Series 2021C-2 (the "2021C-2 Notes", and together with the 2021C-1 Notes, the "Notes") shall be issued in fully registered book-entry-only form without coupons in denominations of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Notes.

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

The 2021C-1 Notes are being issued pursuant to the Self Liquidating Bridges Act of the State of New Jersey, constituting Article 2 of Chapter 17 of the Pamphlet Laws of 1934, as amended and supplemented (the "Act"), Resolution 2017-84 of the Commission duly adopted on September 18, 2017, entitled "Resolution Authorizing The Issuance Of Lease Revenue Bonds or Notes (2015 County Leasing Program), Series 2017" (the "2017-1 Bond Resolution"), as amended and supplemented, including by Resolution 2021-60 (as to the 2021C-1 Notes), duly adopted on September 14, 2021 (the "2021C-1 Supplemental Resolution"), and further supplemented by a Certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising the powers delegated by the 2017-1 Bond Resolution (the "2021C-1 Series Certificate," and together with the 2017-1 Bond Resolution, and 2021C-1 Supplemental Resolution, the "2021C-1 Resolution"). The proceeds of the 2021C-1 Notes are being used to: (i) refinance (through a current refunding) the Commission's \$11,655,000 Lease Revenue Notes (Governmental Leasing Program), Series 2020C-1 (the "2021C-1 Refunded Notes"), at maturity; and (ii) pay the costs and expenses associated with the issuance of the 2021C-1 Notes (collectively, the "2021C-1 Project"). See "COUNTY CAPITAL PROGRAM" herein.

The 2021C-2 Notes are being issued pursuant to the Act, Resolution 2017-85 of the Commission duly adopted on September 18, 2017 entitled "Resolution Authorizing The Issuance Of Lease Revenue Bonds or Notes (2017 County Leasing Program), Series 2017", (the "2017-2 Bond Resolution") as amended and supplemented, including by Resolution 2021-61 (as to the 2021C-2 Notes), duly adopted on September 14, 2021 (the "2021C-2 Supplemental Resolution"), and further supplemented by a Certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising the powers delegated by the 2017-2 Bond Resolution (the "2021C-2 Series Certificate" and together with the 2017-2 Bond Resolution, and the 2021C-2 Supplemental Resolution, the "2021C-2 Resolution"); and the 2021C-2 Series Certificate together with the 2021C-1 Series Certificate, the "Series Certificates"; and the 2021C-2 Resolution together with the 2021C-1 Resolution, are collectively known as the "Resolutions"). The proceeds of the 2021C-2 Notes are being used to: (i) refinance (through a current refunding) the Commission's \$45,340,000 Lease Revenue Notes (Governmental Leasing Program), Series 2020C-2 (the "2020C-2 Refunded Notes" and together with the 2020C-1 Refunded Notes, the "Prior Notes"); and (ii) pay the costs and expenses associated with the issuance of the 2021C-2 Notes (collectively, the "2021C-2 Project"). See "COUNTY CAPITAL PROGRAM" herein.

On or before the date of issuance of the 2021C-1 Notes, the Commission will enter into: (i) a Fifth Amendment to the Improvement Lease and Agreement, originally dated December 17, 2017 (as previously amended and supplemented prior to the date hereof and referred to herein as the "2017C-1 Improvement Lease"), with an amended date of November 10, 2021, with the County (the "Fifth Amendment to 2017C-1 Improvement Lease"), with respect to certain capital improvements (collectively, the "2017C-1 Improvements"); and (ii) a Fifth Amendment to the Equipment Lease and Agreement, originally dated December 17, 2017 (as previously amended and supplemented prior to the date hereof and referred to herein as the "2017C-1 Equipment Lease" and, together with the 2017C-1 Improvement Lease, the "2017C-1 Leases"), with an amended date of November 10, 2021, with the County (the "Fifth Amendment to 2017C-1 Equipment Lease," together with the Fifth Amendment to 2017C-1 Improvement Lease, the "Fifth Amendments to 2017C-1 Leases"), with respect to certain items of capital equipment (collectively, the "2017C-1 Equipment"), as security for payment of the 2021C-1 Notes.

On or before the date of issuance of the 2021C-2 Notes, the Commission will enter into: (i) a Fifth Amendment to the Improvement Lease and Agreement, originally dated December 17, 2017 (as previously amended and supplemented prior to the date hereof and referred to herein as the "2017C-2 Improvement Lease"), with an amended date of November 10, 2021, with the County (the "Fifth Amendment to 2017C-2 Improvement Lease"), with respect to certain capital improvements (collectively, the "2017C-2 Improvements"); and (ii) a Fifth Amendment to the Equipment Lease and Agreement, originally dated December 17, 2017 (as previously amended and supplemented prior to the date hereof and referred to herein as the "2017C-2 Equipment Lease" and, together with the 2017C-2 Improvement Lease, the "2017C-2 Leases"), with an amended date of November 10, 2021, with the County (the "Fifth Amendment to 2017C-2 Equipment Lease," and together with the Fifth Amendment to 2017C-2 Improvement Lease, the "Fifth Amendments to 2017C-2 Leases"), with respect to certain items of capital equipment (collectively, the "2017C-2 Equipment"), as security for payment of the 2021C-2 Notes. The 2017C-1 Leases, as amended and supplemented by the Fifth Amendments to 2017C-1 Leases, and the 2017C-2 Leases, as amended by the Fifth Amendments to 2017C-2 Leases, are collectively referred to herein as the "Leases".

The Notes will be direct and special obligations of the Commission. The 2021C-1 Notes will be payable solely from and secured by the Pledged Property of the Commission as such term is defined in the 2017-1 Bond Resolution, and from any other moneys pledged therefor under the 2017-1 Bond Resolution; provided however, that the power and obligation of the Commission to cause application of such Pledged Property and other funds to the payment of the principal of and the interest on the 2021C-1 Notes is subject to the terms of the 2017-1 Bond Resolution. The 2021C-2 Notes will be payable solely from and secured by the Pledged Property of the Commission as such term is defined in the 2017-2 Bond Resolution, and from any other moneys pledged therefor under the 2017-2 Bond Resolution; provided however, that the power and obligation of the Commission to cause application of such Pledged Property and other funds to the payment of the principal of and the interest on the 2021C-2 Notes is subject to the terms of the 2017-2 Bond Resolution.

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

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

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

*The Notes are offered when, as and if issued by the Commission and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of Malamut & Associates, LLC, Cherry Hill, New Jersey, and certain other conditions described herein. Certain legal matters concerning the Commission will be passed on for the Commission by Anthony T. Drollas, Jr., Esquire, Cherry Hill, New Jersey, General Counsel for the Commission. Certain legal matters concerning the lease obligations of the County will be passed on for the County by Ashley Buono, Esquire, County Solicitor, and Parker McCay P.A., Mount Laurel, New Jersey, County Bond Counsel, and for the Underwriter by its counsel McManimon, Scotland & Baumann, L.L.C., Roseland, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey has acted as Municipal Advisor to the Commission in connection with the issuance of the Notes. It is expected that the Notes will be available for delivery through the facilities at DTC in New York, New York on or about November 10, 2021.*

**PNC CAPITAL MARKETS LLC**

**Dated: October \_\_, 2021**

\* Preliminary, subject to change.

This is a Preliminary Official Statement, complete with the exception of the specific information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Commission has authorized distribution of this Preliminary Official Statement to prospective purchasers and others. In accordance with Rule 15c2-12, this Preliminary Official Statement is deemed final. Upon the sale of the Notes described herein, the Commission will deliver a final Official Statement within the earlier of seven business days following such sale or in order to accompany the purchaser's confirmations that request payment for the Notes.

**\$56,995,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2021C**

Consisting of:

**\$11,655,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2021C-1  
(Non-Callable)**  
and

**\$45,340,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2021C-2  
(Non-Callable)**

<b>Maturity Date</b>	<b>2021C-1 Notes Principal Amount</b>	<b>2021C-2 Notes Principal Amount</b>	<b>Aggregate 2021C Notes Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP**</b>
<b>November 10, 2022</b>	\$	\$	\$	%	%	<b>121651 ___ (2021C-1 Notes)</b>
<b>November 10, 2022</b>						<b>121651 ___ (2021C-2 Notes)</b>

\* Preliminary, subject to change.

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

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

**COMMISSIONERS**

Matthew J. Riggins, Chairman  
Sandra Nunes, Vice Chairwoman  
John B. Comegno, II, Commissioner

**EXECUTIVE DIRECTOR**

Joseph Andl

**SOLICITOR**

Anthony T. Drollas, Jr., Esquire  
Malamut & Associates, LLC.  
Cherry Hill, New Jersey

**BOND COUNSEL**

Malamut & Associates, LLC.  
Cherry Hill, New Jersey

**INDEPENDENT AUDITOR**

Bowman & Company LLP  
Voorhees, New Jersey

**MUNICIPAL ADVISOR**

Acacia Financial Group, Inc.  
Mount Laurel, New Jersey

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

**BOARD OF COUNTY COMMISSIONERS**

Felicia Hopson, Director  
Daniel J. O'Connell, Deputy Director  
Linda A. Hynes, Commissioner  
Tom Pullion, Commissioner  
Balvir Singh, Commissioner

**COUNTY OFFICIALS**

Eve A. Cullinan, County Administrator  
Erin M. Kelly, Clerk of the Board  
Edward J. Troy, Treasurer  
Carolyn Havlick, Chief Financial Officer  
Ashley Buono, Esquire, County Solicitor

**COUNTY BOND COUNSEL**

Parker McCay P.A.  
Mount Laurel, New Jersey

**INDEPENDENT AUDITOR**

Bowman & Company LLP  
Voorhees, New Jersey



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

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

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

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

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

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

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

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

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**OFFICIAL STATEMENT  
OF  
THE BURLINGTON COUNTY BRIDGE COMMISSION  
(Burlington County, New Jersey)  
Relating to its**

**\$56,995,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM),  
SERIES 2021C**

Consisting of:

**\$11,655,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2021C-1  
(Non-Callable)**

and

**\$45,340,000\* LEASE REVENUE NOTES (GOVERNMENTAL LEASING PROGRAM), SERIES 2021C-2  
(Non-Callable)**

**INTRODUCTION**

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by the Burlington County Bridge Commission (the "Commission"), a public body corporate and politic of the State of New Jersey (the "State"), to provide certain information relating to the Commission, the County of Burlington, New Jersey (the "County"), and the: (i) \$11,655,000\* aggregate principal amount of Commission Lease Revenue Notes (Governmental Leasing Program), Series 2021C-1 (the "2021C-1 Notes"); and (ii) \$45,340,000\* aggregate principal amount of Commission Lease Revenue Notes (Governmental Leasing Program), Series 2021C-2 (the "2021C-2 Notes," and together with the 2020C-1 Notes, the "Notes"), to be issued by the Commission.

The 2021C-1 Notes are being issued pursuant to the Self Liquidating Bridges Act of the State of New Jersey, constituting Article 2 of Chapter 17 of the Pamphlet Laws of 1934, as amended and supplemented (the "Act"), Resolution 2017-84 of the Commission duly adopted on September 18, 2017, entitled "Resolution Authorizing The Issuance Of Lease Revenue Bonds or Notes (2015 County Leasing Program), Series 2017" (the "2017-1 Bond Resolution"), as amended and supplemented, including by Resolution 2021-60 (as to the 2021C-1 Notes), duly adopted on September 14, 2021 (the "2021C-1 Supplemental Resolution"), and further supplemented by a Certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising the powers delegated by the 2017-1 Bond Resolution (the "2021C-1 Series Certificate," and, together with the 2017-1 Bond Resolution and 2021C-1 Supplemental Resolution, the "2021C-1 Resolution"). The proceeds of the 2021C-1 Notes are being used to: (i) refinance (through a current refunding) the Commission's \$11,655,000 Lease Revenue Notes (Governmental Leasing Program), Series 2021C-1 (the "2020C-1 Refunded Notes") at maturity; and (ii) pay the and expenses associated with the issuance of the 2021C-1 Notes (collectively, the "2021C-1 Project"). See "COUNTY CAPITAL PROGRAM" herein.

The 2021C-2 Notes are being issued pursuant to the Act, Resolution 2017-85 of the Commission duly adopted on September 18, 2017, entitled "Resolution Authorizing The Issuance Of Lease Revenue Bonds or Notes (2017 County Leasing Program), Series 2017" (the "2017-2 Bond Resolution"), as amended and supplemented, including by Resolution 2021-61 (as

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\*Preliminary, subject to change.

to the 2021C-2 Notes), each duly adopted on September 14, 2021 (the “2021C-2 Supplemental Resolution”), and further supplemented by a Certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising the powers delegated by the 2017-2 Bond Resolution (the “2021C-2 Series Certificate,” and, together with the 2017-2 Bond Resolution and the 2021C-2 Supplemental Resolution, the “2021C-2 Resolution”; and the 2021C-2 Series Certificate together with the 2021C-1 Series Certificate, the “Series Certificates”; and the 2021C-2 Resolution together with the 2021C-1 Resolution, the “Resolutions”). The proceeds of the 2021C-2 Notes are being used to: (i) refinance (through a current refunding) the Commission’s \$45,340,000 Lease Revenue Notes (Governmental Leasing Program), Series 2020C-2 (the “2020C-2 Refunded Notes” and together, with the 2021C-1 Refunded Notes, the “Prior Notes”), at maturity; and (ii) pay the costs and expenses associated with the issuance of the 2021C-2 Notes (collectively, the “2021C-2 Project,” and together with the 2021C-1 Project, the “2021 Project”). See “COUNTY CAPITAL PROGRAM” herein.

On or before the date of issuance of the 2021C-1 Notes, the Commission will enter into: (i) a Fifth Amendment to the Improvement Lease and Agreement, originally dated December 17, 2017 (as previously amended and supplemented prior to the date hereof and referred to herein as the "2017C-1 Improvement Lease"), with an amended date of November 10, 2021, with the County (the “Fifth Amendment to 2021C-1 Improvement Lease”), with respect to certain capital improvements (collectively, the “2017C-1 Improvements”); and (ii) a Fifth Amendment to the Equipment Lease and Agreement, originally dated December 17, 2017 (as previously amended and supplemented prior to the date hereof and referred to herein as the "2017C-1 Equipment Lease" and, together with the 2017C-1 Improvement Lease, the "2017C-1 Leases"), with an amended date of November 10, 2021, with the County (the “Fifth Amendment to 2017C-1 Equipment Lease,” together with the Fifth Amendment to 2017C-1 Improvement Lease, the “Fifth Amendments to 2021C-1 Leases”), with respect to certain items of capital equipment (collectively, the “2017C-1 Equipment”), as security for payment of the 2021C-1 Notes.

On or before the date of issuance of the 2021C-2 Notes, the Commission will enter into: (i) a Fifth Amendment to the Improvement Lease and Agreement, originally dated December 17, 2017 (as previously amended and supplemented prior to the date hereof and referred to herein as the "2017C-2 Improvement Lease"), with an amended date of November 10, 2021, with the County (the “Fifth Amendment to 2017C-2 Improvement Lease”), with respect to certain capital improvements (collectively, the “2017C-2 Improvements”); and (ii) a Fifth Amendment to the Equipment Lease and Agreement, originally dated December 17, 2017 (as previously amended and supplemented prior to the date hereof and referred to herein as the "2017C-2 Equipment Lease" and, together with the 2017C-2 Improvement Lease, the "2017C-2 Leases"), with an amended date of November 10, 2021, with the County (the “Fifth Amendment to 2017C-2 Equipment Lease,” and together with the Fifth Amendment to 2017C-2 Improvement Lease, the “Fifth Amendments to 2021C-2 Leases”), with respect to certain items of capital equipment (collectively, the “2017C-2 Equipment”), as security for payment of the 2021C-2 Notes. The 2017C-1 Leases, as amended and supplemented by the Fifth Amendments to 2017C-1 Leases, and the 2017C-2 Leases, as amended by the Fifth Amendments to 2017C-2 Leases, are collectively referred to herein as the "Leases".

The Notes will be direct and special obligations of the Commission. The 2021C-1 Notes will be payable solely from and secured by the Pledged Property of the Commission as such term is defined in the 2017-1 Bond Resolution, and from any other moneys pledged therefor under the 2017-1 Bond Resolution; provided however, that the power and obligation of the Commission to cause application of such Pledged Property and other funds to the payment of the principal of and the interest on the 2020C-1 Notes is subject to the terms of the 2017-1 Bond Resolution. The 2021C-2 Notes will be payable solely from and secured by the Pledged Property of the Commission as such term is defined in the 2017-2 Bond Resolution, and from any other moneys pledged therefor under the 2017-2 Bond Resolution; provided however, that the power and obligation of the Commission to cause application of such Pledged Property and other funds to the payment of the principal of and the interest on the 2021C-2 Notes is subject to the terms of the 2017-2 Bond Resolution.

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

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

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

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

### **DESCRIPTION OF THE NOTES**

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

The Notes will be dated the Date of Delivery and will mature on November 10, 2022. Payment of the principal of and interest on the Notes will be paid at maturity.

#### **Redemption**

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

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

So long as The Depository Trust Company, New York, New York (“DTC”), or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Notes, payment of the principal of and interest on the Notes will be made directly to Cede & Co. (or any successor or assign), as nominee of DTC. The principal of and interest on the Notes will be credited to the Direct Participants (hereinafter defined) as listed on the records of DTC as of the close of business on November 11, 2022 (the “Record Date”).

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to Direct Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Commission. Accordingly, the Commission does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-



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

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

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

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any

change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

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

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

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

## **PLAN OF FINANCING**

### **Overview**

The 2021C-1 Notes are being issued for the purpose of: (i) refunding in full the 2020C-1 Refunded Notes at maturity in the amount of \$11,655,000; and (ii) paying costs and expenses associated with the issuance of the 2021C-1 Notes.

The 2021C-2 Notes are being issued for the purpose of: (i) refunding in full the 2020C-2 Refunded Notes at maturity in the amount of \$45,340,000; and (ii) paying costs and expenses associated with the issuance of the 2021C-2 Notes.

## Action by County

**The 2021C-1 Notes.** The Board of County Commissioners, by lease agreement ordinances duly and finally adopted on November 25, 2015, authorized an aggregate appropriation of not-to-exceed \$45,430,737 for, *inter alia*, the costs of the 2015 County Capital Program of which \$25,000,000 has been previously financed through the issuance of notes, and the execution, delivery and performance of such applicable leases. The Board of County Commissioners has authorized the execution, delivery and performance of the Fifth Amendments to the 2017C-1 Leases in connection with the issuance of the 2021C-1 Notes by resolution adopted on October 13, 2021. The 2017C-1 Leases, as amended by the Fifth Amendments to the 2017C-1 Leases, provide for the payment of Rental Payments by the County in amounts sufficient, in the aggregate to pay the principal of and interest on the 2021C-1 Notes.

**The 2021C-2 Notes.** The Board of County Commissioners, by lease agreement ordinances duly and finally adopted on May 24, 2017, authorized an aggregate appropriation of not-to-exceed \$84,913,100 for, *inter alia*, the costs of the 2017 County Capital Program of which \$55,000,000 has been previously financed through the issuance of notes, and the execution, delivery and performance of such applicable leases. The Board County Commissioners has authorized the execution, delivery and performance of the Fifth Amendment to the 2017C-2 Leases in connection with the issuance of the 2021C-2 Notes by resolution adopted on October 13, 2021. The 2017C-2 Leases, as amended by the Fifth Amendment to the 2017C-2 Leases, provide for the payment of Rental Payments by the County in amounts sufficient, in the aggregate to pay the principal of and interest on the 2021C-2 Notes.

## Application of Note Proceeds and Leases

Upon issuance of the Notes: (i) \$11,655,000.00 of the net proceeds of the 2021C-1 Notes will be deposited into 2021C-1 Project Note Account held under the Debt Service Fund within the 2017-1 Bond Resolution to pay the maturing principal of the 2020C-1 Refunded Notes; (ii) \$45,340,000.00 of the net proceeds of the 2021C-2 Notes will be deposited into 2020C-2 Project Note Account held under the Debt Service Fund within the 2017-2 Bond Resolution to pay the maturing principal of the 2020C-2 Refunded Notes; and (iii) the remainder of the net proceeds of the Notes will be used to pay certain costs and expenses incidental to the issuance and delivery of the Notes and, if available, future interest accruing on the respective Notes. See “ESTIMATED SOURCES AND USES OF FUNDS” herein. Pursuant to the respective terms of the Leases and during the respective Lease Terms, the Commission will continue to hold title to the Improvements and Equipment financed and re-financed with proceeds of the Notes.

## THE COUNTY CAPITAL PROGRAM

The proceeds of the Prior Notes were used to finance the initial costs of construction, acquisition and installation, as applicable of certain of the Improvements and Equipment constituting part of the 2017 County Capital Program and 2015 County Capital Program implemented by the County. The complete County Capital Programs are described in detail in the respective Exhibits to the Leases and listed below, and shall include any Equipment or Improvements acquired or constructed in substitution for, as a renewal or replacement of, or a

modification, improvement or addition to, any existing Equipment or Improvements as permitted under the respective Leases.

“Cost” or “Costs”, as defined in the Leases, shall mean and be deemed to include, with respect to any Item of Equipment or any Improvement, together with any other proper and reasonable item of cost not specifically mentioned in the Leases, whether incurred prior to or after the date of the Leases, (a) the costs of payment of, or reimbursement for, acquisition, installation and financing of each such Item of Equipment or Improvements including, but not limited to, advances or progress payments, installation costs, administrative costs and capital expenditures relating to installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs; (b) the Improvement Project Allocable Portion and the Equipment Project Allocable Portion of the fees and charges of the Trustee pursuant to the Bond Resolutions, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Commission Financing Fee for the respective Series of the Notes, all professional and consulting fees and charges of the Commission and the County, costs of rating agencies, bond insurance, fees for the printing, execution, transportation and safekeeping of the Notes, and any charges and fees in connection with any of the foregoing; (c) all other costs which the County or the Commission shall be required to pay under the terms of any contract or contracts for the acquisition and installation of any Item of Equipment constituting the Equipment Project and Improvements constituting the Improvement Project, each including, but not limited to, the cost of insurance; (d) any sums required to reimburse the County for advances made for any of the above items, or for any other costs which are properly incurred and for work done, which is properly chargeable to any Item of Equipment or Improvement; (e) the Improvement Project Allocable Portion and the Equipment Project Allocable Portion of the deposits in any Fund or Account under the terms of the Bond Resolutions, all as shall be provided in the Bond Resolutions; (f) the payment of Debt Service on the respective Series of the Notes; (g) the Improvement Project Allocable Portion and the Equipment Project Allocable Portion of the Commission Administrative Expenses; and (h) such other expenses which are not specified in the Leases as may be necessary or incidental to the acquisition and installation of any Item of Equipment or Improvement, the financing thereof and the placing of the same in use and operation. “Cost” or “Costs”, as defined in the Leases, shall be deemed to include the Improvement Project Allocable Portion and the Equipment Project Allocable Portion of the cost and expenses incurred by any agent of the Commission or the County with respect to any of the above-mentioned items.

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

interest on the applicable tax-exempt obligations (including the Outstanding Notes) from the gross income of the Holders thereof for federal income taxation purposes.

The following is a list of the 2017C-1 Improvements and 2017C-1 Equipment constituting the 2015 County Capital Program, a portion of which are being refinanced with the proceeds of the 2021C-1 Notes:

<b><u>Item</u></b>	<b><u>Category</u></b>	<b><u>Improvements and Equipment</u></b>	<b><u>Cost</u></b>
I	Building and Grounds	County Building and Grounds Improvements	4,768,575.15
II	Engineering	Bridge Improvements	6,138,472.88
		Road Improvements	20,071,913.78
III	Minor Capital	Capital Equipment	384,723.74
IV	Public Safety – Emergency Management	Radio Systems/Tower Lighting/Misc.	177,873.00
V	County-Wide Fleet Upgrade	Light Duty Trucks and Sport Utility Vehicles	547,737.46
<b>TOTAL<sup>(1)</sup></b>			<b><u>\$32,089,296.01</u></b>
(1) The County expects to receive \$20,430,737 in Federal and State Grants.			

Items I and II above are subject to the 2017C-1 Improvement Lease. Items III, IV, and V are subject to the 2017C-1 Equipment Lease.

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The following is a list of the 2017C-2 Improvements and 2017C-2 Equipment constituting the 2017 County Capital Program, a portion of which are being refinanced with proceeds of the Series 2021C-2 Notes:

<b><u>Item</u></b>	<b><u>Category</u></b>	<b><u>Improvements and Equipment</u></b>	<b><u>Cost</u></b>
I	Building and Grounds	County Building and Grounds Improvements	8,441,433.11
<b>II</b>			
	Engineering	Bridge Improvements	5,379,319.83
		Road Improvements	27,259,900.69
		Miscellaneous	507,062.54
<b>III</b>			
	Highway	Heavy Equipment	1,942,560.00
<b>IV</b>			
	Minor Capital	Capital Equipment	6,954,659.14
<b>V</b>			
	Public Safety – Emergency Management	Radio Systems/Tower Lighting/Misc.	17,267,317.40
<b>VI</b>			
	County-Wide Fleet Upgrade	Light Duty Trucks and Sport Utility Vehicles	502,266.53
<b>TOTAL<sup>(1)</sup></b>			<b>\$68,254,519.24</b>
(1) The County expects to receive \$22,913,100 in Federal and State Grants.			

Items I and II above are subject to the 2017C-2 Improvement Lease. Items III, IV, V and VI above are subject to the 2017C-2 Equipment Lease.

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## ESTIMATED SOURCES AND USES OF FUNDS

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

<b>Sources of Funds:</b>	<b>Series 2021C-1 <u>Notes</u></b>	<b>Series 2021C-2 <u>Notes</u></b>	<b><u>Total</u></b>
Par Amount	\$	\$	\$
Original Issue Premium			
<b>TOTAL SOURCES OF FUNDS</b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>Uses of Funds:</b>			
Payment of 2020C-1 Refunded Notes Principal	\$	\$	\$
Payment of 2020C-2 Refunded Notes Principal			
Reserve for Interest Payment			
Costs of Issuance <sup>(1)</sup>			
<b>TOTAL USES OF FUNDS</b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>

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<sup>(1)</sup> Represents Underwriter's discount and certain other costs and delivery expenses incurred by the Commission and the County in connection with the authorization, issuance and delivery of the Notes.

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## SECURITY AND SOURCES OF PAYMENT FOR THE NOTES

### General

The Notes are direct and special obligations of the Commission payable solely from the Revenues and secured by a lien on all Pledged Property (as such terms are defined in the respective Bond Resolutions), including, but not limited to: (i) the Revenues; (ii) the Funds and Accounts established under the Bond Resolutions (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; (iii) the Commission's right, title and interest in and to the Items of Equipment and the Improvements constituting the County Capital Program, including any Proceeds and moneys received from the sale thereof and in and to any of the foregoing; and (iv) all other moneys, securities or funds pledged for the payment of the principal of and interest on the Notes in accordance with the terms and provisions of the Bond Resolutions. The Revenues so pledged include (i) all amounts, including Basic Rent, received by the Commission under the Leases; and (ii) any other amounts received from any other source by the Commission as security for the payment of the Notes, but shall exclude any moneys deposited by the County in the Project Note Accounts of the Project Fund in accordance with the provisions of Section 503(2)(b) of the Bond Resolutions. Reference is made to "APPENDIX C – COPY OF THE 2017-1 BOND RESOLUTION", and "APPENDIX D – COPY OF THE 2017-2 BOND RESOLUTION", "APPENDIX E- COPIES OF THE 2017C-1 LEASES, AS AMENDED BY THE FIFTH AMENDMENT", and "APPENDIX F- COPIES OF THE 2017C-2 LEASES, AS AMENDED BY THE FIFTH AMENDMENT" hereto for a more complete description of the provisions of the respective Bond Resolutions and the respective Leases.

### Leases

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

The obligation of the County to make Rental Payments and to pay all other amounts provided for in the respective Leases and to perform its respective obligations under the Leases is absolute and unconditional and secured by the full faith and credit pledge of the County. Such Rental Payments and other amounts are payable by the County without any rights of set-off, recoupment or counterclaim it might have against the Commission, the Trustee, or any other person and whether or not the Improvements and/or Equipment are used by, or available for use by, the County. The County has covenanted in the respective Leases to include in its annual budget for each Fiscal Year of the respective Lease Term the Rentals which are due and payable or which will become due and payable during such Fiscal Year under the terms of the respective Leases.

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

Reference is made to “APPENDIX E- COPIES OF THE 2017C-1 LEASES, AS AMENDED BY THE FIFTH AMENDMENT”, and “APPENDIX F- COPIES OF THE 2017C-2 LEASES, AS AMENDED BY THE FIFTH AMENDMENT” hereto for a more complete description of the provisions of the respective Leases. Reference is made to APPENDICES A and B hereto for certain information regarding the County.

## **THE COMMISSION**

### **General**

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

### **Powers**

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

set by the Commission. The Act also provides for dissolution of the Commission upon the satisfaction of certain requirements including repayment of all debt, at the discretion of the Board.

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

### **Management**

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

<u>Commissioner</u>	<u>Office</u>	<u>Expiration of Term</u>
Matthew J. Riggins	Chairman	October 22, 2022
Sandra Nunes	Vice-Chairwoman	October 22, 2023
John B. Comegno, II	Commissioner	October 22, 2021

### **Administration and Employees**

The Executive Director of the Commission is Joseph Andl, the Secretary is Kathleen M. Wiseman and the Treasurer is Christine J. Nociti.

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

### **Bridge System Revenues Not Pledged**

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

## **THE COUNTY**

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

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

The Act sets forth the pledge and agreement of the State with the holders of the notes (including the Notes), or other indebtedness of the Commission that it will not limit or alter the rights vested by the Act in the Commission to fix, establish and collect tolls or facility charges, and revise such tolls and facility charges when necessary, as will be sufficient to always comply fully with and fulfill the terms of all agreements and covenants made with the holders of the Commission’s obligations and will not in any manner impair, alter or abrogate any other power or obligation vested by the Act in the Commission or the rights and remedies of such holders, until such bonds, notes or other indebtedness, together with the interest thereon, and all costs and expenses in connection with any actions or proceedings taken by or on behalf of such holders, are fully paid and discharged or adequate provision is made for the payment of discharge thereof.

## **LITIGATION**

### **The Commission**

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

### **The County**

To the knowledge of the County Solicitor, Ashley Buono, Esquire, there is no controversy or litigation of any nature now pending or threatened against the County restraining or enjoining the authorization, execution or delivery by the County of the Leases, or in any way contesting or affecting the validity of the Leases, or any proceedings of the County taken with respect to the authorization, execution or delivery thereof, or the existence or powers of the County related to the authorization, execution or delivery of the Leases. There is no litigation

pending or, to the knowledge of the County, threatened in any court wherein an adverse decision would have a material adverse impact on the financial position of the County or its ability to pay, or to provide for payment of, the Rental Payments under the respective Leases. To the knowledge of the County Solicitor, no litigation is presently pending or threatened that, in the opinion of the County Solicitor, would have a material adverse impact on the financial condition of the County if adversely decided.

## **TAX MATTERS**

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

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

The Code imposes an alternative minimum tax on individuals and corporations. Interest received with respect to certain types of private activity bonds issued after August 7, 1986 is considered a tax preference subject to the alternative minimum tax. As the Notes are not private activity bonds, interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

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

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

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but

is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about the effect of future changes in (i) the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Commission, the County or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Commission as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Note owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

### **Original Issue Premium**

Certain maturities of the Notes may be sold at an initial offering price in excess of the amount payable at the maturity date (the “Premium Notes”). The excess, if any, of the tax basis of the Premium Notes to a purchaser (other than a purchaser who holds such Premium Notes as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Notes used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Notes. Accordingly, an owner of a Premium Note may have taxable gain from the disposition of the Premium Note, even though the Premium Note is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Note. Note premium amortizes over the term of the Premium Notes under the “constant yield method” described in regulations interpreting Section 1272 of the Code. Owners of the Premium Notes should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Notes.

## **Additional Federal Income Tax Consequences of Holding the Notes**

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

## **Changes in Federal Tax Law Regarding the Notes**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

## **State Taxation**

Bond Counsel is of the opinion that, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

## SECONDARY MARKET DISCLOSURE

In accordance with the provisions of Rule 15c2-12, as amended (“Rule 15c2-12”), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the Commission will, prior to the issuance of the Notes enter into an agreement (the “Continuing Disclosure Agreement”) with TD Bank, National Association, as dissemination agent (the “Dissemination Agent”) to provide notice of certain listed events to the Electronic Municipal Market Access System (“EMMA”) and as described in the Continuing Disclosure Agreement. See “APPENDIX H – FORM OF THE COMMISSION CONTINUING DISCLOSURE AGREEMENT” hereto.

In the previous five years, the Commission has been in material compliance with the provisions of Rule 15c2-12.

Additionally, in accordance with the provisions of Rule 15c2-12, the County will, simultaneously with the issuance of the Notes, execute and deliver a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) which obligates the County to provide notice of certain listed events to EMMA as described in the Continuing Disclosure Certificate. See “APPENDIX I – FORM OF THE COUNTY CONTINUING DISCLOSURE CERTIFICATE”.

Since 2007, there have been a large number of rating actions reported by Moody’s Investors Service and S&P Global Ratings, acting through Standard and Poor’s Financial Services LLC (formerly Standard and Poor’s Rating Corporation) affecting the municipal bond insurance companies. The County has filed a notice of bond insurance related rating changes affecting certain of its general obligation bonds even though there has been widespread knowledge of these rating actions. In the previous five years, the County has been in material compliance with the provisions of the Rule 15c2-12.

## CERTAIN RISK FACTORS

### Recent Healthcare Developments

COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “*Pandemic*”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020, and has since issued multiple Executive Orders regarding the Pandemic. The Commission and the County expect ongoing actions will be taken by State, federal and local governments and private



entities to mitigate the spread and impacts of the Pandemic. The Pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide.

Notwithstanding the disruptions that have resulted from COVID-19, the State and the County have seen reductions in reported cases of COVID-19, and a corresponding reduction in hospitalization rates and fatalities. As a result, on June 4, 2021, the Governor signed legislation formally ending the Public Health Emergency declaration, while retaining certain limited Executive Orders related to public health and safety until January 1, 2022. The previous declaration of the State of Emergency, however, remains in effect as of the date hereof.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law by President Biden on March 12, 2021 and provides \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. In particular, the Plan includes various forms of financial relief, including up to a \$1,400 increase in direct stimulus payments to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan also provides funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the County is expected to receive approximately \$87 million in funding ("Plan Funds"), all of which must be expended by December 31, 2024. Such funds are expected to be received in two (2) equal payments; one (1) to be received within 60 days of enactment of the Plan, and the balance to be received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the County that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the County prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

Ultimately, the Commission and the County cannot predict, and do not predict, the duration, severity or ultimate impact of the Coronavirus, or the intervening legislative and gubernatorial measures in response thereto, upon global, State-wide and local economies and operations, including that of the Commission and the County.

The County has provided and intends to continue to provide essential services in and for the County including, but not limited to, emergency services, core health and human services, corrections, judiciary and prosecutorial functions, and public works, together with certain other vital services the County deems necessary to maintain operations and respond to public needs. In addition, the County is closely monitoring the spread and effects of the Coronavirus and interacts regularly with other appropriate governmental agencies in this regard, including taking such actions as it deems beneficial to prevent the spread of the Coronavirus.

## **Cyber Security**

The Commission and the County rely on a large and complex technology environment to conduct its various operations. As a result, both the Commission and the County face certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Commission and the County have invested in multiple forms of cybersecurity and operational safeguards. Specifically, the Commission and the County have an extensive security system in place, including network firewalls and established administrative rights and restrictions, with varying level of approvals, implemented entity-wide, for access to network drives and applications that are reviewed regularly to ensure proper internal control and protections and provide relevant employees and staff with cyberattack training. In addition, the Commission and the County maintain insurance coverage for cyberattacks and related events.

## **Climate Change**

The State of New Jersey is naturally susceptible to the effects of extreme weather events and natural disasters including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the County, including the Commission.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Commission and the County should be considered with reference to Chapter IX of the United States Bankruptcy Code (the “Bankruptcy Code”), 11 *U.S.C.* Section 901 to 946. Under Chapter IX of the Bankruptcy Code, a municipality, a political subdivision or a public agency or instrumentality of the State that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court (the “Bankruptcy Court”) to adjust its debts. Chapter IX of the Bankruptcy Code does not permit such entity to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter IX of the Bankruptcy Code permits a financially distressed public entity to seek protection from its creditors by staying the commencement or continuation of certain actions against such public entity while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the minority of creditors. Should the Commission and/or the County file a petition in the Bankruptcy Court under Chapter IX of the Bankruptcy Code prior to

the payment in full of the principal of and interest on the Notes, the Holders of the Notes would be considered creditors and would be bound by the public entity's plan of adjustment of its debt.

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

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

#### **LEGALITY FOR INVESTMENT**

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

#### **APPROVAL OF LEGAL PROCEEDINGS**

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

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

### **INDEPENDENT AUDITORS**

APPENDIX A to this Official Statement contains audited financial statements of the County for the years ending December 31, 2020, 2019, 2018, 2017 and 2016. The audited financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, New Jersey, has consented to the inclusion of their reports in this Official Statement. Copies of the Reports of Audit may be obtained upon request to the office of the Treasurer of the County.

### **MUNICIPAL ADVISOR**

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the Commission with respect to this transaction. The Municipal 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 Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

### **UNDERWRITING**

The Notes have been purchased by the Underwriter at an aggregate purchase price of \$\_\_\_\_\_ (the "Note Purchase Price"). The Note Purchase Price reflects the aggregate principal amount of the Notes of \$\_\_\_\_\_, [plus/less] aggregate original issue [premium/discount] of \$\_\_\_\_\_, less an Underwriter's aggregate discount of \$\_\_\_\_\_. The Underwriter is obligated to purchase all of the Notes if any Notes are purchased.

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

The Underwriter may offer to sell to its affiliate, PNC Investments, LLC ("PNCI"), securities in the Underwriter's inventory for resale to PNCI's customers, including securities such as the Notes to be offered by the Commission. The Underwriter may share with PNCI a

portion of the fee or commission paid to the Underwriter if any Notes are sold to customers of PNCI.

## **RATING**

Moody's Investors Services, Inc. ("Moody's") has assigned a short-term rating of "MIG 1" to the Notes. An explanation of the significance of such ratings may be obtained from Moody's. Such ratings reflect only the view of Moody's. There is no assurance that such 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 Notes.

## **EXCERPTS AND APPENDICES**

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

APPENDIX C to this Official Statement consists of a copy of the 2017-1 Bond Resolution.

APPENDIX D to this Official Statement consists of a copy of the 2017-2 Bond Resolution.

APPENDIX E to this Official Statement consists of copies of the 2017C-1 Leases, as amended by the Fifth Amendments to the 2017C-1 Leases.

APPENDIX F to this Official Statement consists of copies of the 2017C-2 Leases, as amended by the Fifth Amendments to the 2017C-2 Leases.

APPENDIX G to this Official Statement consists of the form of approving legal opinion of Malamut & Associates, LLC, Cherry Hill, New Jersey, Bond Counsel to the Commission. Copies of such opinions will be available at the time of delivery of the Notes.

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

**MISCELLANEOUS**

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

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

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

**BURLINGTON COUNTY BRIDGE  
COMMISSION**

By: \_\_\_\_\_  
**Matthew J. Riggins, Chairman**

**Dated: October \_\_, 2021**

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

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Director and  
Members of the County Commissioners  
County of Burlington  
Mount Holly, New Jersey 08060

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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.



*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 Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, 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 Burlington, State of New Jersey, as of December 31, 2020, 2019, 2018, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Respectfully submitted,

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

/s/ Fred S. Caltabiano  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
September 27, 2021

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

Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

<u>Assets</u>	<u>As of December 31,</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Regular Fund:					
Cash	\$ 51,526,241	\$ 40,667,968	\$ 39,378,589	\$ 38,696,885	\$ 32,912,182
Receivables with Full Reserves:					
Revenue Accounts Receivable	491,148	484,075	177,657	36,931	44,787
Accounts Receivable--Other		1,698	1,698	1,698	190,436
Interfunds Receivable	675,230	117,306	104,951		
Due from Election Billings	27,793				
Due from US Treasury	19,411	4,469	4,469		
Reserve for Revolving Gasoline Fund	24,586	24,586	28,610		
Deferred Charge - COVID 19 Special Emergency	2,764,982				
<b>Total Regular Fund</b>	<b>55,529,391</b>	<b>41,300,101</b>	<b>39,695,973</b>	<b>38,735,514</b>	<b>33,147,405</b>
Federal and State Grant Fund:					
Cash	5,425,654	1,960,640	660,966	1,362,347	1,128,619
Accounts Receivable:					
Federal and State Funds	33,547,785	15,379,268	15,875,371	17,187,573	13,375,633
Interfunds Receivable		11,470		7,747	7,717
<b>Total Federal and State Grant Fund</b>	<b>38,973,440</b>	<b>17,351,377</b>	<b>16,536,337</b>	<b>18,557,667</b>	<b>14,511,969</b>
	<b>\$ 94,502,831</b>	<b>\$ 58,651,479</b>	<b>\$ 56,232,310</b>	<b>\$ 57,293,181</b>	<b>\$ 47,659,374</b>

(Continued)

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

Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Liabilities, Reserves, and Fund Balance</u></b>					
Regular Fund:					
Liabilities					
Appropriation Reserves	\$ 8,560,121	\$ 13,027,881	\$ 13,260,699	\$ 14,894,924	\$ 10,861,403
Reserve for Encumbrances	12,445,222	2,367,381	1,647,782	1,576,229	1,900,805
Other Payables	2,877,352	1,509,785	1,300,860	2,082,667	431,211
Interfunds Payable	132,896	23,195	2,244,496	2,252,244	2,250,663
Due to Tenants	151,433	151,433	151,433	127,633	65,000
Reserves for:					
Other Reserves	4,267,485	1,132,975	168,871	215,146	54,698
<b>Total Liabilities</b>	<b>28,434,509</b>	<b>18,212,650</b>	<b>18,774,142</b>	<b>21,148,843</b>	<b>15,563,781</b>
Reserve for Receivables	1,238,168	632,133	317,384	38,629	235,223
Fund Balance	25,856,714	22,455,319	20,604,447	17,548,043	17,348,401
<b>Total Regular Fund</b>	<b>55,529,391</b>	<b>41,300,101</b>	<b>39,695,973</b>	<b>38,735,514</b>	<b>33,147,405</b>
Federal and State Grant Fund:					
Federal and State Funds:					
Unappropriated	55,217	55,216	75,487	75,487	32,650
Appropriated	33,711,422	12,196,674	10,509,877	13,869,285	10,514,000
Interfunds Payable	768,195	120,000	224,951		
Reserve for Encumbrances	4,438,605	4,979,487	5,726,023	4,612,895	3,965,319
<b>Total Federal and State Grant Fund</b>	<b>38,973,440</b>	<b>17,351,377</b>	<b>16,536,337</b>	<b>18,557,667</b>	<b>14,511,969</b>
	<b>\$ 94,502,831</b>	<b>\$ 58,651,479</b>	<b>\$ 56,232,310</b>	<b>\$ 57,293,181</b>	<b>\$ 47,659,374</b>

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

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

	<b>For the Years Ended December 31,</b>				
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Revenue Realized:</b>					
Current Tax Collections	\$ 169,717,000	\$ 161,283,330	\$ 161,533,330	\$ 155,470,000	\$ 155,500,000
Miscellaneous Revenue Anticipated	68,087,371	53,618,202	50,503,850	52,282,030	49,387,470
Non Budget Revenue	2,670,539	1,821,703	504,400	1,002,569	760,404
Other Credits to Income	12,306,437	6,999,502	7,419,995	3,786,029	2,840,065
Fund Balance Utilized	7,500,000	7,300,000	5,000,000	6,040,000	6,040,000
<b>Total Income</b>	<b>260,281,347</b>	<b>231,022,737</b>	<b>224,961,575</b>	<b>218,580,627</b>	<b>214,527,938</b>
<b>Expenditures:</b>					
Operations	194,453,560	167,479,571	162,122,455	164,392,522	161,898,580
Capital Improvement Fund	100,000	100,000			
Debt Service	40,064,663	37,724,916	38,290,366	32,455,572	32,185,625
Deferred Charges and Statutory Expenditures	15,804,956	15,965,996	16,176,664	15,492,860	15,156,475
Creation of Reserves/Other Expenditures	1,721,755	601,381	315,687	30	7,717
<b>Total Expenditures</b>	<b>252,144,934</b>	<b>221,871,865</b>	<b>216,905,172</b>	<b>212,340,985</b>	<b>209,248,397</b>
Excess in Revenue	8,136,413	9,150,872	8,056,404	6,239,642	5,279,541
Adjustments to Income Before Surplus:					
Expenditures included above which are by Statute					
Deferred Charges to Budget of Succeeding Year	2,764,982				
<b>Statutory Excess to Fund Balance</b>	<b>10,901,395</b>				
Fund Balance, January 1	22,455,319	20,604,447	17,548,043	17,348,401	18,108,860
	33,356,714	29,755,319	25,604,447	23,588,043	23,388,401
Decreased by:					
Utilized as Revenue	7,500,000	7,300,000	5,000,000	6,040,000	6,040,000
<b>Fund Balance, December 31</b>	<b>\$ 25,856,714</b>	<b>\$ 22,455,319</b>	<b>\$ 20,604,447</b>	<b>\$ 17,548,043</b>	<b>\$ 17,348,401</b>

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

**COUNTY OF BURLINGTON  
TRUST FUND**

Statements of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	<b>As of December 31,</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b><u>Assets</u></b>					
Trust Fund:					
Cash	\$ 28,055,255	\$ 35,644,145	\$ 40,543,388	\$ 40,230,021	\$ 44,530,574
Interfunds Receivable	8,046,947	6,708,529	2,232,771	4,523,014	7,549,558
Other Accounts Receivable	29,842,814	27,204,310	26,883,307	25,706,516	25,475,463
	\$ 65,945,016	\$ 69,556,984	\$ 69,659,466	\$ 70,459,551	\$ 77,555,596
<b><u>Liabilities, Reserves, and Fund Balance</u></b>					
Trust Fund:					
Interfunds Payable	\$ 27,035	\$ 117,306			
Reserve for Special Funds and Receivables	65,917,981	69,439,678	\$ 69,659,466	\$ 70,459,551	\$ 77,555,596
	\$ 65,945,016	\$ 69,556,984	\$ 69,659,466	\$ 70,459,551	\$ 77,555,596

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

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

	<b>As of December 31,</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b><u>Assets</u></b>					
Cash and Investments	\$ 9,534,924	\$ 11,327,624	\$ 11,386,046	\$ 28,028,555	\$ 39,533,684
Due from Insurance Company			38,493		
Due from Other	66,345	15,278			
Due from Trustee for Leases	56,670,958	89,483,307	142,109,558	121,656,971	84,180,538
Interfunds Receivable	240,635	120,000	120,000		
Grants Receivable	35,449,209	58,035,075	55,906,997	42,647,532	29,381,082
Deferred Charges to Future Taxation:					
Funded	205,409,506	202,498,573	188,708,328	206,029,439	203,504,645
Unfunded	14,170,503	38,863,827	86,790,813	122,026,226	142,501,078
Amounts to be Provided for Retirement of Obligations Under Capital Leases	270,480,900	281,115,900	289,688,900	247,166,900	190,197,900
	<b><u>\$ 592,022,980</u></b>	<b><u>\$ 681,459,583</u></b>	<b><u>\$ 774,749,134</u></b>	<b><u>\$ 767,555,624</u></b>	<b><u>\$ 689,298,926</u></b>
<b><u>Liabilities, Reserves, and Fund Balance</u></b>					
Serial Bonds	\$ 198,880,000	\$ 195,644,000	\$ 184,476,000	\$ 201,099,000	\$ 198,023,001
Obligation Under Capital Leases	270,480,900	281,115,900	289,688,900	247,166,900	190,197,900
Bond Anticipation Notes		23,000,000	63,165,000	66,300,000	64,074,000
Loans Payable	6,349,115	6,572,426	3,762,434	4,280,132	4,771,030
State of New Jersey--Green Acres Loans	180,390	282,147	469,893	650,307	710,614
Improvement Authorizations:					
Funded	5,288,287	9,884,941	3,192,919	4,437,532	6,512,492
Unfunded		2,513,338	11,219,991	12,830,416	50,622,798
Lease Authorization	44,891,257	73,572,034	130,433,203	110,615,004	77,702,001
Capital Improvement Fund	197,848	97,848	172,848	172,848	172,848
Contracts Payable	24,704,070	50,094,211	57,655,713	48,170,704	23,107,955
Due to State of New Jersey	209,293	209,293	209,293	209,293	209,293
Interfunds Payable	8,046,947	6,708,529		2,290,243	5,318,337
Reserve for Payment of Capital Leases	4,855,619	5,186,193	3,745,089	3,710,320	2,960,878
Reserve for Payment of Bonds and Notes	1,550,095	1,952,095	812,762	1,415,512	1,818,267
Reserve for Payment of County College Debt	53,730	53,730	5,100,000		
Reserve for Rt. 130 Development Contributions	1,983,313	1,750,000			
Reserve for Road/Utility Repairs (SRL)	6,124,000	3,062,000			
Reserve for Equipment Replacement	33,757				
Installment Purchase Agreement Notes	13,531,000	14,568,000	14,824,000	43,265,000	44,201,000
Reserve to Pay I.P.A. Note Principal	4,527,846	4,995,565	4,995,565	18,545,474	18,545,474
Fund Balance	135,513	197,333	825,523	2,396,939	351,039
	<b><u>\$ 592,022,980</u></b>	<b><u>\$ 681,459,583</u></b>	<b><u>\$ 774,749,134</u></b>	<b><u>\$ 767,555,624</u></b>	<b><u>\$ 689,298,926</u></b>

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

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

<u>Assets</u>	<u>As of December 31,</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating Fund:					
Cash and Investments	\$ 30,464,243	\$ 30,025,597	\$ 29,485,624	\$ 30,311,012	\$ 27,218,442
Interfunds Receivable	3,974,624	3,974,088	3,974,088	3,974,088	3,974,088
	34,438,867	33,999,685	33,459,712	34,285,100	31,192,531
Receivables with Full Reserves:					
Consumer Accounts Receivable	3,001,301	2,684,348	3,080,715	2,404,057	2,587,927
Total Operating Fund	37,440,168	36,684,033	36,540,427	36,689,157	33,780,457
Capital Fund:					
Cash and Investments	2,143,699	1,936,380	1,807,289	2,075,943	12,473,652
Fixed Capital	219,362,717	219,362,717	206,127,272	206,127,272	206,127,272
Fixed Capital Authorized and Uncompleted	50,500,000	42,000,000	55,565,000	55,565,000	55,565,000
Amount to be Provided for Retirement of Obligations					
Under Capital Leases	22,845,000	24,387,000	25,907,000	27,806,000	29,789,000
Due from TD Bank, Trustee for BCBC		501,948	501,948	642,236	642,236
Total Capital Fund	294,851,416	288,188,044	289,908,509	292,216,451	304,597,160
	<u>\$ 332,291,584</u>	<u>\$ 324,872,077</u>	<u>\$ 326,448,935</u>	<u>\$ 328,905,608</u>	<u>\$ 338,377,617</u>

(Continued)

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

	<b>As of December 31,</b>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Liabilities, Reserves, and Fund Balance</u></b>					
Operating Fund:					
Appropriation Reserves	\$ 1,413,485	\$ 806,403	\$ 882,558	\$ 1,108,440	\$ 1,264,412
Reserve for Encumbrances	3,461,818	4,165,457	3,512,132	3,819,811	3,700,614
Accounts Payable			14,268	37,100	
Accrued Interest on Bonds	278,313	370,846	411,912	566,981	658,071
Prepaid Deposits	64,676	72,823	102,001	102,733	120,805
Reserves for:					
State of New Jersey Sanitary Landfill Taxes Payable	14,586	13,365	12,596	12,056	13,415
County Health Inspection Taxes Payable	9,627	8,821	8,314	7,957	8,854
Host Benefit Fees Payable	619,616	619,255	644,561	607,988	598,333
Hazardous Waste Facility	64,972	64,972	64,972	64,972	64,972
Equipment Replacement	608,175	647,055	583,752	483,752	706,548
Landfill Closure Trust Fund	19,421,752	18,577,219	17,855,750	17,350,013	16,894,821
Recycling Tax Payable	214,419	233,322	245,574	227,252	206,475
Estimated Arbitrage Earnings on Tax- Exempt Obligations	100,000	100,000	100,000	100,000	100,000
General Liability Self Insurance	500,000	500,000	500,000	500,000	500,000
	26,771,438	26,179,538	24,938,390	24,989,056	24,837,320
Reserve for Receivables	3,001,301	2,684,348	3,080,715	2,404,057	2,587,927
Fund Balance	7,667,428	7,820,148	8,521,322	9,296,044	6,355,210
<b>Total Operating Fund</b>	<b>37,440,168</b>	<b>36,684,033</b>	<b>36,540,427</b>	<b>36,689,157</b>	<b>33,780,457</b>
Capital Fund:					
Serial Bonds	38,190,000	43,985,000	49,810,000	55,355,000	39,090,000
Bond Anticipation Notes					29,026,000
Obligations Under Solid Waste Leases	22,845,000	24,387,000	25,907,000	27,806,000	29,789,000
Interfunds Payable	3,974,088	3,974,088	3,974,088	3,974,088	3,974,088
Improvement Authorizations	8,607,632	293,300	692,600	697,991	2,141,974
Statement of Lease Authorizations		501,948	501,948	501,948	776,948
Contracts Payable	45,590	45,922	236,782	831,483	859,396
Capital Improvement Fund	47,000	47,000	47,000	47,000	47,000
Reserves for:					
Amortization	200,027,524	196,104,833	188,575,942	185,465,962	173,903,321
Deferred Amortization	20,980,000	18,746,690	20,097,020	17,301,000	13,479,218
Reserve to pay Bonds, Notes and Leases	134,582	102,263	66,128	235,979	11,138,682
Fund Balance					371,534
<b>Total Capital Fund</b>	<b>294,851,416</b>	<b>288,188,044</b>	<b>289,908,509</b>	<b>292,216,451</b>	<b>304,597,160</b>
	<b>\$ 332,291,584</b>	<b>\$ 324,872,077</b>	<b>\$ 326,448,935</b>	<b>\$ 328,905,608</b>	<b>\$ 338,377,617</b>

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



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

	<b>For the Years Ended December 31,</b>				
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Revenue Realized:</b>					
Fund Balance Realized	\$ 6,146,555	\$ 6,567,468	\$ 6,292,957	\$ 5,688,692	\$ 3,549,660
Solid Waste Utility Fees	26,607,263	26,708,727	25,490,038	24,926,978	23,517,982
Sludge Disposal & Household Hazardous Waste Fees	2,633,775	2,816,697	2,581,324	2,619,609	2,534,609
Miscellaneous Revenue Anticipated	1,037,455	1,232,995	1,342,364	1,468,095	4,427,413
Other Credits to Income:					
Accounts Payable Canceled		14,268			
Unexpended Balance of Appropriation Reserves	2,499,065	1,831,923	1,490,717	2,185,231	1,367,095
<b>Total Income</b>	<b>38,924,113</b>	<b>39,172,078</b>	<b>37,197,400</b>	<b>36,888,605</b>	<b>35,396,759</b>
<b>Expenditures:</b>					
Operating	22,696,839	22,459,611	20,506,609	16,902,440	17,402,061
Debt Service	9,556,439	10,169,173	10,545,557	8,362,816	11,339,892
Deferred Charges and Statutory Expenditures	677,000	677,000	627,000	2,993,823	575,319
<b>Total Expenditures</b>	<b>32,930,278</b>	<b>33,305,784</b>	<b>31,679,166</b>	<b>28,259,079</b>	<b>29,317,272</b>
Excess in Revenue	5,993,836	5,866,294	5,518,234	8,629,526	6,079,487
Fund Balance, January 1	7,820,148	8,521,321	9,296,044	6,355,210	3,825,383
	13,813,983	14,387,616	14,814,278	14,984,736	9,904,870
Decreased by:					
Utilized as Revenue	6,146,555	6,567,468	6,292,957	5,688,692	3,549,660
<b>Fund Balance, December 31</b>	<b>\$ 7,667,428</b>	<b>\$ 7,820,148</b>	<b>\$ 8,521,321</b>	<b>\$ 9,296,044</b>	<b>\$ 6,355,210</b>

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

**COUNTY OF BURLINGTON**  
Notes to Financial Statements  
For the Year Ended December 31, 2020

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

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

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

The County has forty political subdivisions, consisting of three cities, thirty-one townships and six boroughs. The population of the County of according to the 2010 census was 448,734.

The County government operates under a five-member Board of Commissioners, elected at-large by the voters of the County. Each member is elected to a term of three years. A director and deputy director are selected from their membership at the first meeting of each year. The Commissioners have both administrative and policy-making powers.

**Component Units** - The financial statements of the component units of the County are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

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

Rowan College at Burlington County  
900 College Circle  
Mount Laurel, New Jersey 08054

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

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

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

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

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the County contain all funds and account groups in accordance with the *Requirements of Audit* (the "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 accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

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

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

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

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

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

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

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; 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 utilities and other state agencies.

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at 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.

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

**General Fixed Assets (Cont'd)** - The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that 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.

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

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

**Fund Balance** - Fund Balances included in the current fund and solid waste utility operating fund represent amounts available for anticipation as revenue in future 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. Other amounts that are due to the County which are susceptible to accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

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

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

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

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

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

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2020, the County had bank balances of \$122,842,851.91 that were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 121,439,566.23
Uninsured and Uncollateralized	<u>1,403,285.68</u>
Total	<u><u>\$ 122,842,851.91</u></u>

**Note 3: INVESTMENTS**

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

**Custodial Credit Risk Related to Investments** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County has no investment policy to limit its exposure to custodial credit risk. As of December 31, 2020, the County's investments were exposed to custodial credit risk as follows:

Uninsured and unregistered, with securities held by the the counterparty's trust department or agent in the County's name	\$ -
Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name	<u>23,920,426.05</u>
Total	<u>\$ 23,920,426.05</u>

As of December 31, 2020, the County had the following investments:

<u>Investment</u>	<u>Maturities</u>		<u>Cost</u>	<u>Fair Value Hierarchy Level *</u>	<u>Fair Value</u>
Money Market Funds	daily	daily	\$ 150,284.99	Level 1	\$ 150,284.99
US Treasury Strips	127.95	months average	4,527,846.27	Level 1	9,973,970.58
US Treasury Notes/Bonds	48.65	months average	18,549,947.89	Level 1	19,385,548.66
US Treasury Inflation Indexed Bonds	66.29	months average	<u>692,346.90</u>	Level 1	<u>767,306.30</u>
Total			<u>\$ 23,920,426.05</u>		<u>\$ 30,277,110.53</u>

\* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

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

**Custodial Credit Risk Related to Investments (Cont'd)** - The weighted average maturity of the County's investment portfolio was 63.87 months as of December 31, 2020.

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

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County has no investment policy that would further limit its exposure to credit risk. As of December 31, 2020, the County's investments had the following ratings:

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

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County's investment policies place no limit on the amount the County may invest in any one issuer. As of December 31, 2020, 96.48% of the County's investments are in US Treasury Strips and US Treasury Notes/Bonds.

**Note 4: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County Tax Rate	<u>\$ 0.343</u>	<u>\$ 0.336</u>	<u>\$ 0.344</u>	<u>\$ 0.335</u>	<u>\$ 0.336</u>
County Open Space, Recreation, Farmland and Historic Preservation Tax Rate	<u>\$ 0.020</u>	<u>\$ 0.030</u>	<u>\$ 0.025</u>	<u>\$ 0.040</u>	<u>\$ 0.040</u>



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

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

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2020	\$ 49,475,671,215
2019	48,108,043,812
2018	47,392,206,315
2017	46,619,878,327
2016	46,537,864,890

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Regular Tax Levy</u>	<u>Open Space, Recreation, Farmland, Historic Preservation Tax Levy</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2020	\$ 169,717,000	\$ 9,865,675	\$ 179,582,675	100.00%
2019	161,283,330	14,362,183	175,645,513	100.00%
2018	161,533,330	11,712,379	173,245,709	100.00%
2017	155,470,000	18,538,246	174,008,246	100.00%
2016	155,500,000	18,538,246	174,038,246	100.00%

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

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

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2020	\$ 2,684,348	\$ 30,055,291	\$ 32,739,639	\$ 29,738,338
2019	3,080,715	29,613,810	32,694,525	30,010,177
2018	2,404,057	29,187,676	31,591,733	28,511,018
2017	2,587,927	27,362,717	29,950,644	27,546,587
2016	2,465,036	26,175,482	28,640,517	26,052,591

**Note 6: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 25,856,714	\$ 10,000,000	38.67%
2019	22,455,319	7,500,000	33.40%
2018	20,604,447	7,300,000	35.43%
2017	17,548,043	5,000,000	28.49%
2016	17,348,401	6,040,000	34.82%

**Solid Waste Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 7,667,428	\$ 5,418,443	70.67%
2019	7,820,148	6,146,555	78.60%
2018	8,521,322	6,567,468	77.07%
2017	9,296,044	6,292,957	67.69%
2016	6,355,210	5,688,692	89.51%

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 675,230	\$ 132,896
Federal and State Grant		768,195
Trust	8,046,947	27,035
General Capital	240,635	8,046,947
Solid Waste Utility - Operating	3,974,624	
Solid Waste Utility - Capital		3,974,088
Bond and Interest	11,725	
	<u>\$ 12,949,161</u>	<u>\$ 12,949,161</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2021, the County expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 8: PENSION PLANS**

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

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

**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' 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' 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' 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' 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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (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 8: 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 10 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 with 25 years or more of service credit before age 62, 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 10 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 10 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 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 8: 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 non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable 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. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

*Special Funding Situation Component* - Under N.J.S.A. 43:15A, 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 Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. 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, 2020 was 14.96% 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, 2020, the County's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$6,227,489.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the County's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$5,452,097.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$3,226,346.66.

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

**Public Employees' Retirement System (Cont'd)** - 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, 2020 was 0.67% of the County's covered payroll.

Based on the most recent PERS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2020 was \$278,931.00, and was payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2019 was \$229,584.00, which was paid on April 1, 2020.

**Police and Firemen's Retirement System** - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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

The County's contractually required contribution rate for the year ended December 31, 2020 was 32.74% 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, 2020, the County's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$5,190,117.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the County's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$4,635,097.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$1,596,709.60.

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, 2020 was 4.52% of the County's covered payroll.

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

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2020 was \$716,884.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2019 was \$597,458.00, which was paid on April 1, 2020.

**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, 2020, employee contributions totaled \$77,848.49, and the County's contributions were \$41,858.14. There were no forfeitures during the year.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

**Pension Liability** - At December 31, 2020, the County's and State of New Jersey's proportionate share of the PERS net pension liability were as follows:

County's Proportionate Share of Net Pension Liability	\$ 92,832,485.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>4,406,357.00</u>
	<u>\$ 97,238,842.00</u>

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the County's proportion was .5692665376, which was an increase of .0087580529% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the County, was 3.4362489283%, which was an increase of .0744220825% from its proportion, on-behalf of the County, measured as of June 30, 2019.

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

**Pension Expense** - For the year ended December 31, 2020, the County's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$(1,178,616.00). This (benefit) 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, 2020, the County's contribution to PERS was \$5,452,097.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PERS pension (benefit) expense, associated with the County, calculated by the Plan as of the June 30, 2020 measurement date, was \$377,978.00. This on-behalf (benefit) expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2020, 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	\$ 60,029,454.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>9,316,297.00</u>
	<u>\$ 69,345,751.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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, 2020 measurement date, the County's proportion was .4645768355%, which was an increase of .0057065872% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the County, was .4645768355%, which was an increase of .0057065872% from its proportion, on-behalf of the County, measured as of June 30, 2019.

**Pension Expense** - For the year ended December 31, 2020, the County's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$586,564.00. This (benefit) 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, 2020, the County's contribution to PFRS was \$4,635,097.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the County, calculated by the Plan as of the June 30, 2020 measurement date, was \$1,055,816.00. This on-behalf (benefit) expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.



**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) 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** - As of December 31, 2020, the County had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 1,690,327.00	\$ 605,199.00	\$ 2,295,526.00	\$ 328,296.00	\$ 215,439.00	\$ 543,735.00
Changes of Assumptions	3,011,591.00	151,064.00	3,162,655.00	38,869,840.00	16,093,538.00	54,963,378.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,173,089.00	3,519,807.00	6,692,896.00	-	-	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	1,948,565.00	2,273,131.00	4,221,696.00	8,702,174.00	7,019,833.00	15,722,007.00
County Contributions Subsequent to the Measurement Date	3,113,745.00	2,595,059.00	5,708,804.00	-	-	-
	<u>\$ 12,937,317.00</u>	<u>\$ 9,144,260.00</u>	<u>\$ 22,081,577.00</u>	<u>\$ 47,900,310.00</u>	<u>\$ 23,328,810.00</u>	<u>\$ 71,229,120.00</u>

Deferred outflows of resources in the amounts of \$3,113,745.00 and \$2,595,059.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the County's year end of December 31, 2020.

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) 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 other deferred outflows 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, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
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	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	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
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) 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>
2021	\$ (14,008,757.00)	\$ (8,207,911.00)	\$ (22,216,668.00)
2022	(13,166,355.00)	(5,518,678.00)	(18,685,033.00)
2023	(8,023,700.00)	(2,181,475.00)	(10,205,175.00)
2024	(2,408,267.00)	(507,800.00)	(2,916,067.00)
2025	(469,659.00)	(363,745.00)	(833,404.00)
	<u>\$ (38,076,738.00)</u>	<u>\$ (16,779,609.00)</u>	<u>\$ (54,856,347.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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 Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: <sup>(1)</sup>		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

<sup>(1)</sup> based on years of service

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

**Police and Firemen's Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) 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' and PFRS' target asset allocation as of June 30, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

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

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date 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 rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Police and Firemen's Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date 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 rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

**Public Employees' Retirement System (PERS)** - As previously mentioned, PERS 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 the June 30, 2020 measurement date, for the County and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<u>PERS</u>		
	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
County's Proportionate Share of the Net Pension Liability	\$ 116,860,612.00	\$ 92,832,485.00	\$ 72,443,963.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	<u>5,546,868.00</u>	<u>4,406,357.00</u>	<u>3,438,602.00</u>
	<u>\$ 122,407,480.00</u>	<u>\$ 97,238,842.00</u>	<u>\$ 75,882,565.00</u>

**Note 8: PENSION PLANS (CONT'D)****Sensitivity of County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**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 the June 30, 2020 measurement date, for the County and the State of New Jersey, calculated using a discount rate of 7.00%, 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 <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
County's Proportionate Share of the Net Pension Liability	\$ 79,826,818.00	\$ 60,029,454.00	\$ 43,586,231.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	<u>12,388,758.00</u>	<u>9,316,298.00</u>	<u>6,764,384.00</u>
	<u>\$ 92,215,576.00</u>	<u>\$ 69,345,752.00</u>	<u>\$ 50,350,615.00</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 (benefit) 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.

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 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 Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's Proportion of the Net Pension Liability	0.5692665376%	0.5605084847%	0.5973251099%	0.6264874670%
County's Proportionate Share of the Net Pension Liability	\$ 92,832,485.00	\$ 100,995,126.00	\$ 117,610,343.00	\$ 145,836,268.00
County's Covered Payroll (Plan Measurement Period)	\$ 40,809,204.00	\$ 38,112,064.00	\$ 41,403,896.00	\$ 42,656,476.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	227.48%	265.00%	284.06%	341.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<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	0.6348337768%	0.6171766911%	0.6268139138%	0.7428275809%
County's Proportionate Share of the Net Pension Liability	\$ 188,019,556.00	\$ 138,543,800.00	\$ 117,356,708.00	\$ 141,969,110.00
County's Covered Payroll (Plan Measurement Period)	\$ 43,318,252.00	\$ 42,428,812.00	\$ 43,421,180.00	\$ 52,119,380.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	434.04%	326.53%	270.28%	272.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the County's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's Contractually Required Contribution	\$ 6,227,489.00	\$ 5,452,097.00	\$ 5,941,455.00	\$ 5,803,737.00
County's Contribution in Relation to the Contractually Required Contribution	\$ (6,227,489.00)	\$ (5,452,097.00)	(5,941,455.00)	(5,803,737.00)
County's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll (Calendar Year)	\$ 41,630,161.00	\$ 40,769,742.00	\$ 38,767,914.00	\$ 41,032,272.00
County's Contributions as a Percentage of Covered Payroll	14.96%	13.37%	15.33%	14.14%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Contractually Required Contribution	\$ 5,662,332.00	\$ 5,321,393.00	\$ 5,190,330.00	\$ 5,700,911.00
County's Contribution in Relation to the Contractually Required Contribution	(5,662,332.00)	(5,321,393.00)	(5,190,330.00)	(5,700,911.00)
County's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll (Calendar Year)	\$ 42,534,274.00	\$ 43,281,555.00	\$ 42,311,700.00	\$ 43,120,866.00
County's Contributions as a Percentage of Covered Payroll	13.31%	12.29%	12.27%	13.22%



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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's Proportion of the Net Pension Liability	0.4645768355%	0.4588702483%	0.4620776683%	0.4972844307%
County's Proportionate Share of the Net Pension Liability	\$ 60,029,454.00	\$ 56,155,709.00	\$ 62,526,726.00	\$ 76,771,102.00
State's Proportionate Share of the Net Pension Liability associated with the County	9,316,297.00	8,867,093.00	8,493,222.00	8,599,010.00
Total	<u>\$ 69,345,751.00</u>	<u>\$ 65,022,802.00</u>	<u>\$ 71,019,948.00</u>	<u>\$ 85,370,112.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 15,968,152.00	\$ 15,294,532.00	\$ 15,276,780.00	\$ 15,703,596.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	375.93%	367.16%	409.29%	488.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<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	0.5488048845%	0.5685444057%	0.5686346694%	0.5803733767%
County's Proportionate Share of the Net Pension Liability	\$ 104,835,771.00	\$ 94,699,679.00	\$ 71,528,967.00	\$ 77,155,403.00
State's Proportionate Share of the Net Pension Liability associated with the County	8,803,605.00	8,304,844.00	7,702,467.00	7,191,821.00
Total	<u>\$ 113,639,376.00</u>	<u>\$ 103,004,523.00</u>	<u>\$ 79,231,434.00</u>	<u>\$ 84,347,224.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 17,537,468.00	\$ 17,912,496.00	\$ 17,983,768.00	\$ 18,121,556.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.78%	528.68%	397.74%	425.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's Contractually Required Contribution	\$ 5,190,117.00	\$ 4,635,097.00	\$ 4,517,490.00	\$ 4,401,059.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(5,190,117.00)</u>	<u>(4,635,097.00)</u>	<u>(4,517,490.00)</u>	<u>(4,401,059.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll (Calendar Year)	\$ 15,852,193.00	\$ 15,741,075.00	\$ 15,198,354.00	\$ 14,999,440.20
County's Contributions as a Percentage of Covered Payroll	32.74%	29.45%	29.72%	29.34%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Contractually Required Contribution	\$ 4,474,629.00	\$ 4,621,418.00	\$ 4,367,507.00	\$ 4,234,275.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(4,474,629.00)</u>	<u>(4,621,418.00)</u>	<u>(4,367,507.00)</u>	<u>(4,234,275.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll (Calendar Year)	\$ 15,676,484.00	\$ 17,235,855.00	\$ 18,097,159.00	\$ 18,048,239.00
County's Contributions as a Percentage of Covered Payroll	28.54%	26.81%	24.13%	23.46%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

***Police and Firemen's Retirement System (PFRS)***Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

**Note 9: COMPENSATED ABSENCES**

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

Under existing policies of the County, upon retirement employees will receive one-half of the accumulated unused sick leave to a maximum of \$15,000.00. Unused accumulated vacation is paid for at straight time.

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2020, it is calculated that accrued unused sick and vacation time payable are valued at \$7,194,196.31.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2020, the balance of the fund was \$121,981.90.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 11: LEASE OBLIGATIONS**

**Capital Leases Payable** - The County is leasing certain equipment and improvements under capital leases. All capital leases are for terms of ten to twenty years and interest rates ranging from 3.00% to 5.25%. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2020.

<u>General Capital Fund</u>	<u>Amount</u>
Year Ending December 31,	
2021	\$ 12,461,169
2022	13,105,033
2023	11,293,206
2024	10,337,081
2025	10,343,031
2026-2030	53,731,231
2031-2035	32,709,784
2036-2040	<u>1,369,900</u>
Total minimum lease payments	145,350,437
Less amount representing interest	<u>35,652,437</u>
Present value of net minimum lease payments	109,698,000
Notes Issued	133,365,000
Authorized but not Issued	<u>27,417,900</u>
	<u>\$ 270,480,900</u>
<u>Solid Waste Capital Fund</u>	<u>Amount</u>
Year Ending December 31,	
2021	\$ 2,528,650
2022	2,776,250
2023	3,008,250
2024	3,629,650
2025	5,595,250
2026-2027	<u>10,636,300</u>
Total minimum lease payments	28,174,350
Less amount representing interest	<u>5,329,350</u>
Present value of net minimum lease payments	<u>\$ 22,845,000</u>

**Note 12: CAPITAL DEBT****General Debt – Serial Bonds**

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

General Obligation Bonds Series 2013B – On September 5, 2013, the County issued \$40,204,000.00 of General Obligation bonds with interest rates ranging from 3.000% to 4.500%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is September 1, 2023.

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

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

General Obligation Refunding Bonds Series 2016A1 – On March 22, 2016, the County issued \$30,345,000.00 of General Obligation Refunding Bonds with interest rates of 4%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is September 1, 2022.

Vocational and Special Services Schools Refunding Bonds, Series 2016A2 – On March 22, 2016, the County issued \$1,145,000.00 Vocational and Special Services Schools Refunding Bonds with interest rates of 3%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is September 1, 2022.

County College Bonds - On June 29, 2016, the County issued \$7,900,000.00 of County College bonds with interest rates ranging from 1% to 2%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2028.

General Obligation Bonds Series 2017A – On May 15, 2017, the County issued \$25,075,000.00 of General Obligation bonds with interest rates ranging from 2.000% to 2.750%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is January 15, 2029.

General Obligation Refunding Bonds Series 2017A – On November 22, 2017, the County issued \$11,505,000.00 of General Obligation Refunding Bonds with interest rates ranging from 2.00% to 4.00%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is July 15, 2025.

County College Bonds - On June 27, 2018, the County issued \$6,500,000.00 of County College bonds with interest rates ranging from 2% to 3.125%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2033.

General Obligation Bonds Series 2019A-1 - On May 8, 2019, the County issued \$14,500,000.00 of General Obligation bonds with interest rates ranging from 2% to 3%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is May 1, 2034.

County College Bonds Series 2019A-2 - On May 8, 2019, the County issued \$13,900,000.00 of County College bonds with interest rates ranging from 2% to 3%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is May 1, 2042.

**Note 12: CAPITAL DEBT (CONT'D)****General Debt – Serial Bonds (Cont'd)**

County College Bonds Series 2019B - On May 8, 2019, the County issued \$6,800,000.00 of County College bonds with interest rates ranging from 2% to 3%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is May 1, 2042.

County College Bonds Series 2020 - On June 30, 2020, the County issued \$23,000,000.00 of County College bonds with interest rates ranging from 0.55% to 2%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is May 1, 2040.

General Obligation Refunding Bonds Series 2020B – On November 17, 2020, the County issued \$26,270,000.00 of General Obligation Refunding Bonds with interest rates ranging from 0.497% to 2.306%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is September 1, 2033.

General Obligation Refunding Bonds Series 2020A (Taxable) – On November 17, 2020, the County issued \$5,370,000.00 of General Obligation Refunding Bonds with interest rates ranging from 3% to 4%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is December 15, 2025.

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

**General Debt - Serial Bonds**

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2021	\$ 22,380,000	\$ 5,176,518	\$ 27,556,518
2022	22,750,000	4,466,456	27,216,456
2023	16,155,000	3,798,939	19,953,939
2024	16,450,000	3,352,210	19,802,210
2025	16,700,000	2,940,369	19,640,369
2026-2030	59,045,000	9,481,379	68,526,379
2031-2035	30,805,000	3,537,498	34,342,498
2036-2040	12,250,000	1,114,575	13,364,575
2041-2042	2,345,000	70,875	2,415,875
	<u>\$ 198,880,000</u>	<u>\$ 33,938,819</u>	<u>\$ 232,818,819</u>

**Note 12: CAPITAL DEBT (CONT'D)****General Debt – Green Acres Loans**

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

The County entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the Rancocas Pointe Trail project. The final maturity of the loan is in 2037.

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

**General Debt - Green Acres Loans**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 13,140	\$ 3,542	\$ 16,683
2022	13,404	3,278	16,683
2023	13,674	3,009	16,683
2024	13,949	2,734	16,683
2025	11,298	2,454	13,751
2026-2030	44,576	9,523	54,099
2031-2035	49,240	4,860	54,099
2036-2037	21,109	530	21,640
	<u>\$ 180,390</u>	<u>\$ 29,930</u>	<u>\$ 210,321</u>

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

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

On November 12, 2015, the County entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,270,447.00, at no interest, from the fund loan, and \$410,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund storm water quality enhancement projects. Semiannual debt payments are due February 1st and August 1st through 2036.



**Note 12: CAPITAL DEBT (CONT'D)****General Debt – New Jersey Environmental Infrastructure (EIT) Loans (Cont'd)**

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

**General Debt - NJ EIT Loans**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 228,311	\$ 35,588	\$ 263,898
2022	228,311	33,088	261,398
2023	233,311	30,588	263,898
2024	238,311	27,838	266,148
2025	238,311	24,838	263,148
2026-2030	1,226,553	91,288	1,317,840
2031-2035	601,010	32,300	633,310
2036	30,000	1,200	31,200
	<u>\$ 3,024,115</u>	<u>\$ 276,725</u>	<u>\$ 3,300,840</u>

**Solid Waste Utility Debt – Serial Bonds**

General Obligation Bonds - On October 12, 2011, the County issued \$10,675,000.00 of bonds with interest rates ranging from 2.25% to 4.00%. The purpose of the bonds was to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is June 1, 2021.

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

General Obligation Bonds Series 2017A-II - On May 15, 2017, the County issued \$29,025,000.00 of bonds with interest rates ranging from 2.25% to 4.00%. The purpose of the bonds was to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is January 15, 2027.

General Obligation Bonds (Refunding) - On November 17, 2020, the County issued \$6,055,000.00 of refunding bonds with interest rates ranging from 0.497% to 1.528%. The purpose of the bonds was to refund bonds that were used to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is September 1, 2027.

**Note 12: CAPITAL DEBT (CONT'D)****Solid Waste Utility Debt – Serial Bonds (Cont'd)**

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

**Solid Waste Utility Debt - Serial Bonds**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 6,315,000	\$ 1,044,830	\$ 7,359,830
2022	6,450,000	850,882	7,300,882
2023	6,500,000	656,058	7,156,058
2024	6,560,000	451,853	7,011,853
2025	4,035,000	236,853	4,271,853
2026-2027	<u>8,330,000</u>	<u>203,906</u>	<u>8,533,906</u>
	<u>\$ 38,190,000</u>	<u>\$ 3,444,381</u>	<u>\$ 41,634,381</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 205,409,505	\$ 225,498,573	\$ 251,873,328
Solid Waste Utility:			
Bonds, Loans and Notes	<u>38,190,000</u>	<u>43,985,000</u>	<u>49,810,000</u>
Total Issued	<u>243,599,505</u>	<u>269,483,573</u>	<u>301,683,328</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	14,170,503	15,863,827	23,625,813
Solid Waste Utility:			
Bonds, Loans and Notes	<u>10,665,193</u>	<u>2,526,193</u>	<u>3,209,310</u>
Total Authorized but not Issued	<u>24,835,697</u>	<u>18,390,020</u>	<u>26,835,123</u>
Total Issued and Authorized but not Issued	<u>268,435,202</u>	<u>287,873,592</u>	<u>328,518,451</u>
<b><u>Deductions</u></b>			
General:			
Accounts Receivable Chapter 12	11,360,000	13,050,000	11,132,500
Funds Temporarily Held to Pay Bonds and Notes	6,131,671	7,001,390	10,908,327
Solid Waste Utility:			
Self-Liquidating	<u>48,855,193</u>	<u>46,511,193</u>	<u>53,019,310</u>
Total Deductions	<u>66,346,864</u>	<u>66,562,583</u>	<u>75,060,137</u>
<b>Net Debt</b>	<u>\$ 202,088,338</u>	<u>\$ 221,311,009</u>	<u>\$ 253,458,314</u>

**Note 12: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .416%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 394,216,300	\$ 394,216,300	
Solid Waste Utility	48,855,193	48,855,193	
General Debt	<u>219,580,009</u>	<u>17,491,671</u>	<u>\$ 202,088,338</u>
	<u>\$ 662,651,502</u>	<u>\$ 460,563,164</u>	<u>\$ 202,088,338</u>

Net debt \$202,088,338 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$48,626,343,339, equals .416%.

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

2% of Equalized Valuation Basis (County)	\$ 972,526,867
Less: Net Debt	<u>202,088,338</u>
Remaining Borrowing Power	<u>\$ 770,438,529</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 36,425,049
Deductions:	
Operating and Maintenance Costs	\$ 23,012,839
Debt Service	<u>9,556,439</u>
Total Deductions	<u>32,569,278</u>
Excess/(Deficit) in Revenue	<u>\$ 3,855,771</u>

A revised Annual Debt Statement should be filed.

**Note 13: CAPITAL DEBT REFUNDING**

On November 17, 2020, the County issued \$37,695,000.00 in general obligation bonds with an average interest rate of 1.95% to advance refund \$5,904,000.00 of outstanding 2010 series bonds, \$1,310,000.00 of outstanding 2008 series bonds, \$4,530,000.00 of outstanding 2011 series bonds, \$23,260,000.00 of outstanding 2013B series bonds with an average interest rate of 4.37%. The net proceeds were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2010, 2008, 2011, and 2013B series bonds. As a result of the current refunding, the County will reduce its total debt service payments over the next thirteen years by \$2,844,188.81, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$2,787,954.00, or 7.96% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the County's financial statements.

**Note 14: DEFEASED DEBT**

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the County's financial statements. As of December 31, 2020, the total amount of defeased debt outstanding, but removed from the County's financial statements, is \$34,730,000.

**Note 15: RESERVE FOR INTEREST REBATE**

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

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

**Note 16: SANITARY LANDFILL ESCROW CLOSURE FUND**

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

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

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

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

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

**Note 17: COUNTY OWNED LANDFILL - CLOSURE AND POST-CLOSURE COSTS (CONT'D)**

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

**Closure**

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

**Post-Closure**

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

Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for estimated liability for combined closure and post-closure costs based on landfill capacity as of December 31, 2020.

**Closure and Post-Closure Plan Funding and Projected Costs**

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

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

**Note 18: DEBT SERVICE AGREEMENTS**

The County of Burlington adopted resolutions in 2013 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$60,000,000; in 2015 \$5,000,000 was canceled, in 2016 bonds of \$30,095,000 were issued, and in 2019 bonds of \$24,905,000 were issued. The County is the only participant in this authorization.

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

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

At December 31, 2020, bonds in the amount of \$29,155,000 and notes in the amount of \$55,870,000 have been issued on the combined amount of the \$46,000,000 and \$39,937,900 authorizations.

The County of Burlington adopted resolutions in 2015 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$25,000,000. The County is the only participant in this authorization. At December 31, 2020, bonds in the amount of \$13,340,000 and notes in the amount of \$11,655,000 have been issued.

The County of Burlington adopted resolutions in 2017 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$62,000,000. The County is the only participant in this authorization. At December 31, 2020, bonds in the amount of \$16,660,000 and notes in the amount of \$45,340,000 have been issued.

The County of Burlington adopted resolutions in 2018 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$47,000,000. The County is the only participant in this authorization. At December 31, 2020, notes in the amount of \$20,500,000 have been issued.

The County – Guaranteed Burlington County Bridge Commission Bonds totaling \$394,216,300 as of December 31, 2020 are as follows:

Series 2002 Loan Revenue Bonds	\$	1,110,000
Series 2010 Loan Revenue Bonds		3,365,000
Series 2011 Lease Revenue Refunding Bonds		3,150,000
Series 2011A Loan Revenue Refunding Bonds		1,080,000
Series 2013 Bridge System Revenue Bonds		18,870,000
Series 2013 Solid Waste Project Bonds		19,985,000
Series 2013A-1 Loan Revenue Refunding Bonds		5,860,000
Series 2013A-2 Loan Revenue Bonds		2,815,000
Series 2014 Lease Revenue Refunding Bonds		4,385,000
Series 2014A-2 Loan Revenue Bonds		7,750,000
Series 2016 Energy Savings Program		5,436,300
Series 2016 Lease Revenue Bonds		26,060,000
Series 2016 Lease Revenue Refunding Bonds		2,860,000
Series 2017 Bridge System Revenue Bonds		41,950,000
Series 2017 Lease Revenue Refunding Bonds		7,275,000
Series 2017A Loan Revenue Refunding Bonds		10,860,000
Series 2018 Lease Revenue Bonds		27,390,000
Series 2018 Pooled Loan Revenue Bonds		24,150,000
Series 2019 Lease Revenue Bonds		20,775,000
Series 2020 Lease Revenue Bonds		25,725,000
Series 2020A Lease Revenue Notes		20,500,000
Series 2020B Lease Revenue Notes		55,870,000
Series 2020C Lease Revenue Notes		56,995,000
	\$	<u>394,216,300</u>

**Note 18: DEBT SERVICE AGREEMENTS (CONT'D)****Analysis of Balance at December 31, 2020:**

County Leases Payable		
General Capital Fund:		
Bonds	\$	109,698,000
Notes		133,365,000
Utility Capital Fund:		
Bonds		<u>22,845,000</u>
Total County (Lease Obligations)		265,908,000
Bridge Commission Bonds		60,820,000
Other Entities Bonds		<u>67,488,300</u>
	\$	<u>394,216,300</u>

**Note 19: INSURANCE COMMISSION**

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

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

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

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

The Commission publishes its own financial report for the year ended December 31, 2020 which can be obtained from:

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

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

On November 5, 1996, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of Burlington County authorized the establishment of the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 1997, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The County proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation for fifteen years. Amounts raised by taxation are apportioned by the County Board of Taxation among the municipalities in accordance with N.J.S.A. 54:4-9 and are assessed, levied and collected in the same manner and at the same time as other County taxes. On November 3, 1998, the voters of Burlington County authorized an increase in the Open Space, Recreation, Farmland and Historic Preservation tax from two cents per hundred to four cents per hundred dollars of equalized valuation for twenty years, and on November 7, 2006 the voters extended the tax to 2036. In 2020, revenue from the tax was allocated as follows: 1.5 cents to historical preservation, maintenance and development of lands acquired for recreation and conservation purposes, and 0.5 cent to farmland preservation. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

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

As of December 31, 2020, the County had entered into the following Installment Purchase Agreements:

<u>Resolution Number</u>	<u>Issue Date</u>	<u>Principal Due Date</u>	<u>Initial Investment Required</u>	<u>Investment Value At Maturity</u>
2007-983	12/11/07	11/15/21-11/15/26	Not Applicable	Not Applicable
2008-362	06/24/08	11/15/21-11/15/27	Not Applicable	Not Applicable
2003-217	06/24/08	11/15/21-11/15/27	Not Applicable	Not Applicable
2008-622	08/27/08	11/15/21-11/15/28	Not Applicable	Not Applicable
2011-277	11/15/12	11/15/21-11/15/31	Not Applicable	Not Applicable
2011-276	04/26/14	11/15/21-11/15/33	Not Applicable	Not Applicable
2013-561	11/17/14	11/15/21-11/15/34	Not Applicable	Not Applicable
2007-234	11/29/07	11/15/24	\$ 95,257	\$ 205,000
2007-234	12/28/07	11/15/36	79,755	300,000
2007-1086	12/28/07	11/15/27	583,334	1,495,000
2007-1086	12/28/07	11/15/27	583,334	1,495,000
2007-835	10/16/08	11/15/23	119,105	240,000
2008-671	10/31/08	11/15/36	1,167,028	3,764,000
2008-1015	05/12/10	11/15/36	153,384	462,000
2010-275	12/15/10	11/15/36	69,915	210,000
2010-278	12/28/10	11/15/30	217,935	500,000
2010-278	12/28/10	11/15/30	435,870	1,000,000
2010-278	12/28/10	11/15/30	217,935	500,000
2012-148	03/28/12	11/15/22	150,542	189,000
2012-146	03/28/12	11/15/32	498,171	868,000
2014-270	05/2015	08/01/25	156,280	200,000



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

As of December 31, 2020, the County had entered into the following Installment Purchase Agreements (Cont'd):

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

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

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

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

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

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

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

With the exception of IPAs 2007-01, 2008-01 through 2008-03, 2012-01, 2014-01, and 2015-01, all of the other IPAs were executed settlements which negotiated a fair price set to be paid at maturity. Until the principal maturity date, a negotiated interest payment will be paid twice yearly on the principal amount. On the closing date of the IPA transaction, the County would make a purchase of U.S. Treasury Strips with a maturity schedule designed to meet the principal payment amount due to the sellers.

**Note 21: BOARD OF SCHOOL ESTIMATES**

The Board of School Estimates approved an Appropriation of \$15,894,974 for the Burlington County Institute of Technology for the School Year July 1, 2020 to June 30, 2021. The County funded this amount by appropriating \$2,430,000 in the County's 2020 budget and \$13,464,974 in the County's 2021 budget.

The Board of School Estimates approved an Appropriation of \$4,800,000 for the Burlington County Special Services School District County for the School Year July 1, 2020 to June 30, 2021. The County funded this amount by appropriating \$400,000 in the County's 2020 budget and \$4,400,000 in the County's 2021 budget.

**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 2020, the Abstract of Ratables for Burlington County indicated 15 of 40 municipalities abated property taxes under this program. The total assessed value abated was \$56,309,500. At a County tax rate of \$.343, \$193,141.59 of taxes would be considered abated.

**Note 23: CONTINGENCIES**

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

**Litigation** - The County is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the County, from such litigation is either unknown or potential losses, if any, would not exceed the available funds in the Reserve for General Liability Excess Claims.

**Note 24: CONCENTRATIONS**

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

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**A. COUNTY OF BURLINGTON POSTEMPLOYMENT BENEFIT PLAN**

**Plan Description and Benefits Provided** - The County provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The County's plan provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: 1) an employee who participates in the PERS pension plan and was hired before 7/1/2007 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 55, 2) an employee hired on or after 7/1/2007 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 60, 3) an employee hired on or after 11/2/2008 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 62, 4) an employee hired on or after 7/28/2011 is eligible for full benefits upon retirement provided they have completed 30 years of service and are at least age 65, 5) an employee who participates in the PFRS pension plan is eligible for benefits upon retirement provided they have completed 25 years of service. Years of service are calculated based upon elapsed time. The plan is administered by the County; therefore, premium payments are made directly to the insurance carriers.

**Employees Covered by Benefit Terms** - As of December 31, 2020, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	573
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	<u>932</u>
	<u>1,505</u>

**Total OPEB Liability**

The County's total OPEB liability of \$252,861,192.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2020.

**Actuarial Assumptions and Other Inputs** - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement
Turnover	NJ State Pension Ultimate Withdrawal Rates - prior to benefits eligibility
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	2.74% Based on Bond Buyer 20 Index Dec. 31, 2019
CPI Increase	2.12% Based on Bond Buyer 20 Index Dec. 31, 2020
Rate of Salary Increase	2.50%
Medical Trend	2.50%
	Medical: 5.60% in 2020, reducing by 0.1% per annum, leveling at 5.00% per annum in 2026
	Drug: 9.00% in 2020, reducing by 0.5% per annum to 2022 and 1.00% per annum thereafter, leveling at 5.00% per annum in 2026
	Dental: 3.50% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. COUNTY OF BURLINGTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Actuarial Assumptions and Other Inputs (Cont'd) –**

An experience study was not performed on the actuarial assumptions used in the December 31, 2020 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by the Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

**Changes in Total OPEB Liability**

Balance at December 31, 2019		\$ 267,809,701.00
Changes for the Year:		
Service Cost	\$ 5,831,207.00	
Interest Cost	7,432,319.00	
Benefit Payments	(4,776,794.00)	
Changes in Assumptions	15,498,494.00	
Difference between Expected and Actual Experience	<u>(38,933,735.00)</u>	
Net Changes		<u>(14,948,509.00)</u>
Balance at December 31, 2020		<u>\$ 252,861,192.00</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.74% at December 31, 2019 to 2.12% at December 31, 2020.

**Sensitivity of Total OPEB Liability to Changes in Discount Rate** - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2020</u>		
	<b>1.00% Decrease <u>(1.12%)</u></b>	<b>Current Discount Rate <u>(2.12%)</u></b>	<b>1.00% Increase <u>(3.12%)</u></b>
Total OPEB Liability	<u>\$264,084,203.00</u>	<u>\$252,861,192.00</u>	<u>\$245,372,788.00</u>

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**A. COUNTY OF BURLINGTON POST EMPLOYMENT BENEFIT PLAN (CONT'D)**

**Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates** - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>December 31, 2020</u>		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$238,596,990.00</u>	<u>\$252,861,192.00</u>	<u>\$270,614,345.00</u>

**OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2020, the County recognized OPEB (benefit) expense of \$14,318,130.00. As of December 31, 2020, the County reported deferred outflows of resources or deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 46,452,969.00	\$ -
Difference Between Expected and Actual Experience	<u>-</u>	<u>36,038,603.00</u>
	<u>\$ 46,452,969.00</u>	<u>\$ 36,038,603.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

<u>Year Ending Dec 31,</u>	
2021	\$ 1,054,604.00
2022	1,054,604.00
2023	1,054,604.00
2024	1,054,604.00
2025	1,054,604.00
Thereafter	<u>5,141,346.00</u>
	<u>\$ 10,414,366.00</u>

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. COUNTY OF BURLINGTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the County's OPEB Plan. 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 Changes in the County's Postemployment Benefit Plan OPEB Liability and Related Ratios (Last Three Years)***

	<u>Plan Measurement Date December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 5,831,207.00	\$ 7,958,013.00	\$ 7,958,013.00
Interest Cost	7,432,319.00	9,139,396.00	8,616,443.00
Benefit Payments	(4,776,794.00)	(3,886,486.00)	(3,752,554.00)
Changes in Assumptions	15,498,494.00	37,701,471.00	-
Difference Between Expected and Actual Experience	<u>(38,933,735.00)</u>	<u>-</u>	<u>-</u>
Net Change in Total OPEB Liability	(14,948,509.00)	50,912,394.00	12,821,902.00
Total OPEB Liability - Beginning of Fiscal Year	<u>267,809,701.00</u>	<u>216,897,307.00</u>	<u>204,075,405.00</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 252,861,192.00</u>	<u>\$ 267,809,701.00</u>	<u>\$ 216,897,307.00</u>
Covered-Employee Payroll	\$ 53,011,000.00	\$ 63,110,000.00	\$ 56,120,000.00
Total OPEB Liability as a Percentage of Covered Payroll	477.00%	424.35%	386.49%

**Other Notes to Supplementary OPEB Information**

## Changes of Benefit Terms:

None

## Changes of Assumptions:

The discount rate changed from 2.74% as of the December 31, 2019 measurement date to 2.12% as of the December 31, 2020 measurement date.

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2020 was not available; therefore, the information from the measurement period June 30, 2019 is disclosed below.

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided** – In addition to the County provide postemployment benefits to its retirees, the State of New Jersey (the "State") provides benefits to certain County retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the County, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

*Special Funding Situation Component* - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, the County is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the County does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the County is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the County,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the County, and
- c) the State's proportionate share of the OPEB expense that is associated with the County.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the County, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the County, is \$646,162.00 for the year ended December 31, 2019 representing 4.10% of the County's covered payroll.



**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability and OPEB (Benefit) Expense**

**OPEB Liability** - At December 31, 2019 the State's proportionate Share of the Net OPEB liability associated with the County is \$48,747,614.00. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The State's proportion of the net OPEB liability, on-behalf of the County, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the County was .882195% which was a decrease of .008148% from its proportion measured as of the June 30, 2018 measurement date.

**OPEB (Benefit) Expense** - At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense associated with the County, calculated by the Plan as of the June 30, 2019 measurement date, is \$646,162.00. This on-behalf expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Not Applicable Under Special Funding Situation	
PFRS:	
Rate for all Years	3.25% to 15.25%

\* Salary Increases are Based on Years of Service  
Within the Respective Plan

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

100% of active members are considered to participate in the Plan upon retirement.

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)**

**Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

**Discount Rate** - The discount rate used to measure the OPEB Liability at June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the County's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the County	<u>\$ 56,364,643.00</u>	<u>\$ 48,747,614.00</u>	<u>\$ 42,557,774.00</u>

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)**

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1%</u> <u>Increase</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the County	<u>\$ 41,136,981.00</u>	<u>\$ 48,747,614.00</u>	<u>\$ 58,456,262.00</u>

**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (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 the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASB 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. 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 State's Proportionate Share of the net OPEB Liability Associated with the County (Last Three Plan Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's Proportion of the Net OPEB Liability	0.000000%	0.000000%	0.000000%
State's Proportion of the Net OPEB Liability Associated with the County	<u>100.000000%</u>	<u>100.000000%</u>	<u>100.000000%</u>
	<u>100.000000%</u>	<u>100.000000%</u>	<u>100.000000%</u>
County's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the County	<u>48,747,614.00</u>	<u>55,324,529.00</u>	<u>80,909,341.00</u>
Total	<u>\$ 48,747,614.00</u>	<u>\$ 55,324,529.00</u>	<u>\$ 80,909,341.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 15,482,405.00	\$ 14,937,829.20	\$ 15,468,178.00
County's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	314.858%	370.365%	523.070%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

**Note 25: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of the State's Contributions Associated with the County (Last Three Years)***

The amount of actual contributions that the State made on-behalf of the County is not known.

**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

In 2019, there were slight changes to the Chapter 48 provisions.

**Changes in Assumptions**

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS experience study. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

**Note 26: SUBSEQUENT EVENTS**

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

<u>Purpose</u>	<u>Date</u>	<u>Authorization</u>
Acquisition of Voting Equipment	7/14/2021	\$ 2,855,000

**COVID-19** - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the County’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the County is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2021.

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

## GENERAL INFORMATION REGARDING THE COUNTY

Burlington County (“Burlington County” or “County”), located in South Central New Jersey is, in area, the largest county in the State of New Jersey (“State”) and is only thirty (30) minutes from downtown Philadelphia and ninety (90) minutes from New York City. It covers 529,351 acres of which 524,160 are land and 5,191 are water. The 827 square miles extend from the Delaware River to Great Bay at the Atlantic Ocean. Burlington County is bordered by Mercer, Monmouth, Ocean, Camden, and Atlantic counties.

About fifty-four (54%) percent of the County is forest, twenty-five (25%) percent farmland, seventeen (17%) percent residential, and four (4%) percent federally owned land. Most of the productive farmland is in the third of the County that parallels the Delaware River. East of this is mostly pine woodland, where State-owned forests and parks make up twenty (20%) percent of the County.

### Population<sup>1</sup>

Burlington County has forty (40) political subdivisions, consisting of three (3) cities, thirty-one (31) townships and six (6) boroughs. Municipalities with populations over 30,000 include the Townships of Willingboro, Evesham and Mount Laurel. The County seat is located in Mount Holly, which has a population of 9,981.

2020 Federal Census .....	461,860
2010 Federal Census .....	448,734
2000 Federal Census .....	423,394
1990 Federal Census .....	395,066
1980 Federal Census .....	362,542
1970 Federal Census .....	323,132
1960 Federal Census .....	224,499
1950 Federal Census .....	135,926

### Labor Force

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

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

	<u>2021 Average<sup>3</sup></u>	<u>2020 Average<sup>4</sup></u>	<u>2019 Average</u>
Labor Force	230.4	230.8	232.2
Employment	216.8	211.8	224.9
Unemployment	13.5	19.0	7.3
Unemployment Rate (%)	5.9%	8.2%	3.2%

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

<sup>2</sup> In thousands. N.J. Department of Labor and Workforce Development; Economic & Demographic Research.

<sup>3</sup> Estimated as of August 2021.

<sup>4</sup> As a result of the COVID-19 Pandemic, unemployment levels are increased for 2020.



## **Farming**

Burlington County is third in the State for land devoted to farming, with over 95,000 acres of farmland. The leading agricultural commodities are nursery, greenhouse and sod followed by the production of fruits and berries, vegetables, grains, and dairy as well as breeding equine.<sup>1</sup>

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

Through December 2020, more than 62,793 acres of farmland have been preserved, securing the County's position as a statewide leader in farmland preservation.<sup>2</sup>

## **Transportation**

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

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

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

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

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<sup>1</sup> Source: 2012 Census of Agriculture, USDA National Agricultural Statistics Service.

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

## Industries

Twenty-six (26) active industrial/office parks are located throughout the County. Some of the major parks are: Bishop's Gate Corporate Center, East Gate Business Center I and Laurel Corporate Center located in Mount Laurel; Moorestown Industrial Park located in Moorestown; Crossroads Business Center located in Burlington Township; Greentree Office/Industrial Campus and Marlton Crossing located in Evesham Township; Haines Industrial Center located in Burlington and Florence Townships; Cindel located in Cinnaminson; Lumberton Corporate Center located in Lumberton Township; and Highland Business Park located in Westampton Township. All of these parks are adjacent to major transportation arteries. Their tenants are representatives of the major industries located in the United States.

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

- NFI built Subaru of America a 526,050 square-foot parts distribution facility and 17,000 square-foot office and training facility in Florence Township which was completed and fully operational in June 2013, adding 126 jobs. NFI built a 504,000 square-foot addition of which Subaru occupies 189,000 square-feet, Okidata 252,000 square-feet and Nestle 63,000 square-feet.
- Burlington Stores (formerly Burlington County Coat Factory) built a 522,000 square-foot warehouse and a 218,000 square-foot international corporate headquarters in Florence Township, adding more than 800 hundred jobs. In addition, Burlington Stores is leasing two adjacent build-to-suit warehouses in Haines Industrial Park, 677,000 square-feet in Burlington Township and 200,000 square-feet in Florence Township. They also built a 731,000 square-foot truck staging area in Edgewater Park Township that employs more than 1,000 workers. Burlington Stores has a total of 2,565 employees in the County.
- Express Scripts consolidated all of its New Jersey facilities and built a 240,000 square-foot distribution center in Florence Township with more than 700 jobs created.
- Destination Maternity built a 406,000 square-foot warehouse and moved to an 81,000 square-foot office building in the County, adding more than 675 new jobs.
- W.W. Grainger, a leading supplier of maintenance, repair and operating products, built a 1.3 million square-foot distribution center on 96 acres of land in Bordentown Township, which added approximately 400 warehouse operations jobs.
- Rancocas Industrial Park built a 682,000 square-foot warehouse/distribution center in Westampton Township, with more than 100 jobs created.
- Amazon has two warehouses in the County that total approximately 1.6 million square-feet combined. The first of the two, opened in 2016 in Florence Township. The 614,000 square-foot fulfillment center provides approximately 1,500 jobs that increases up to 2,000 during peak seasons. The second location, a 1 million square-foot facility opened in 2019 and stretches across two municipalities, Burlington Township and Burlington City. Housing larger items, like patio furniture, kayaks, and electronics, this facility provides approximately 1,000 jobs.
- Adjacent to Amazon in Florence Township, B&H Photo & Electronics operates in a 577,000 square-foot distribution center that employs approximately 850 employees.
- Burlington Industrial Park in Burlington Township is a four-warehouse complex with a total of 1,582,000 square-feet that added approximately 400 jobs.

- ARI/Acacia Cabinetworks renovated and existing building in Crossroads Industrial Park, Burlington Township to create a \$1.4 million project that includes 63 additional jobs.
- The View at Marlton in Evesham Township is an 83,000 square-foot, \$30 million retail center.
- Top Golf in Mount Laurel is New Jersey's second location and is a three-level, 65,000 sq. ft. facility that has 102 hitting bays for golf.

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

Burlington County initiated an award-winning revitalization plan in 1995 ("Plan") that included working with twelve (12) municipalities located in a 17 mile long corridor that runs from Palmyra to Florence from the Delaware River and along Route 130. Originally called the Route 130 Corridor Project it is now the River Route project because it brings together the Delaware River, the rail line and Route 130 for economic success. Since its inception, the Plan has attracted major industry including the Merck-Medco automated mail service facility, an extension of the Rowan College at Burlington County (formerly Burlington County College) campus, Burlington Stores distribution center, a new public library, and national and regional retailers along with residential housing. Thus far, the Plan has resulted in 203 new major businesses with over \$2.0 billion in new investment and created more than 3,000 new jobs. This plan is currently being updated to include four (4) additional communities along the River Line. The County has also received a State "smart growth" grant to undertake a regional study in the northern Route 206 area, which will result in a plan to provide for commercial growth while retaining the rural character of the ten (10) communities involved.

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

Bishops Gate Center, an Office/Industrial Campus located in Mount Laurel Township, is home to Okidata Corporation headquarters, warehouse and assembly facilities; PHH Mortgage Services and the Bancroft School campus, a \$75 million project on 80 acres that has become operational in January 2018.

The Haines Center, spanning over 800 acres in Burlington and Florence Townships at New Jersey Turnpike Exit 6A, offers a variety of building sites and warehousing and distribution facilities ranging from 80,000 square feet to 1,000,000 square feet. The Haines Center is

approximately at two-thirds capacity with tenants including Burlington Stores, BJ's Wholesale Club, Christmas Tree Shops, Home Depot, Destination Maternity and other national companies.

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

## **Housing**

The County offers the advantages of life in a major metropolitan area without the drawbacks. In the past two decades, Burlington County has seen a large increase in the number of new homes. There are more than 145,000 residential homes in every price range. According to the market figures provided by realtor.com, the 2019 average median sold price of single-family homes in the County was \$256,188. Current construction is keeping pace with the demands of a growing population and expanding business community. Popular housing areas include Burlington Township, Evesham, Mansfield, Medford, Moorestown, Pemberton and Mount Laurel where housing of many types exists and there is significant ongoing development.

## **Military Bases**

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

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

After the BRAC announcement in 2006 to create the Joint Base, hundreds of millions of dollars were committed to be spent on construction. The Joint Base has created and will continue to create an influx of new construction jobs through key projects. In 2021, the base is expected to acquire twenty-four KC-46A Pegasus aircraft, the military's newest refueling tankers, to replace the legacy aircraft. The Joint Base will receive the tankers two years ahead of the Travis Airforce Base in California. The acquisition will result in \$154 million of military construction and will provide economic security for the Joint Base for many years.

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



municipalities). The Act also authorizes the establishment of a planning study responsible for preparing a Comprehensive Management Plan for the Reserve.

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

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

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

#### **PINELANDS MUNICIPALITIES WITHIN THE COUNTY**

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

## **Shopping Facilities**

Shopping facilities in the County are as varied as they are excellent. In addition to the neighborhood stores of each community, the County has many of the nation's finest shopping centers in the region. The Moorestown Mall offers more than 1 million square feet of retail space and includes Boscov's department store.

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

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

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

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

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

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

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

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus. All of the academic programs have been moved to Mount Laurel, leaving only athletics and aquatic classes in Pemberton. An athletic

facility is in the plans for Mount Laurel. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center - a 78,000 square foot, \$25.4 million state-of-the-art building that will feature a one-stop shop for student services from enrollment to academic planning, knowledge commons library, bookstore, dining area and state-of-the-art technology. This building will serve as the gateway to the newly transformed Mount Laurel campus with a total investment of \$55 million and renovation of 240,000 square feet.

RCBC's fall 2020 enrollment in academic courses was 7,317 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

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

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

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, is 2,109 students as of June 30, 2020.

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

BCIT contributes to the County workforce each year an average of 462 high school seniors certified in one of thirty-three career and technical programs and, through its Adult School Division, approximately 760 adults who have completed either a certification or licensing program in one of the thirty-five career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.



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

The Burlington County Special Services School District (“Special Services School District”) was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, Medford, and Mount Laurel and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped, autistic and deaf and hard of hearing; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen (14) through twenty-one (21) with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen (14) to twenty-one (21). The enrollment for the Special Services School District for the 2019-20 academic year is 525 students.

## **Recreation**

The County provides a wealth of recreational opportunities, including eleven (11) public and private golf courses, several marinas, areas for gunning, fishing and hiking and displays of historical interest. All or part of six state forests and parks, including Wharton State park, are located in the County. The Wharton Mansion and the Village of Batsto have been restored to their appearance in colonial times.

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

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

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

## **Business Atmosphere**

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

## **Health Care**

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

## **Labor Contracts**

There are four (4) CWA Local #1036 units representing County employees: (1) the Main Unit; (2) the Supervisory Unit; (3) the Superintendent of Elections; and (4) the Prosecutor's Office Clerical Unit. Between March and June of 2013, the County entered into Collective Negotiations Agreements with each of these Units, covering the time period of January 1, 2011 through December 31, 2013. In March 2015, the County approved the execution of a Memorandum of Agreement with the CWA Local #1036, Main Unit, Supervisory Unit and Superintendent of Elections covering the time period of January 1, 2014 through December 31, 2015. On December 9, 2015, the Board approved the execution of Collective Negotiations Agreements between the County and CWA Local #1036, Main Unit, Supervisory Unit and Superintendent of Elections covering the time period of January 14, 2014 through December 31, 2015. On December 9, 2015, a Memorandum of Agreement between the County and CWA Local #1036, Prosecutor's Office Clerical Unit was approved for the period of January 1, 2014 through December 31, 2015. This Memorandum of Agreement was also ratified by the members of CWA Local #1036, Prosecutor's Office Clerical Unit. On April 11, 2018 the Board approved the execution of Collective Negotiations Agreements between the Board and CWA Local #1036 Superintendent of Elections and the Board, the Prosecutor's Office and the Prosecutor's Office Clerical Unit for the period of January 1, 2016 through December 31, 2019. On July 25, 2018 the Board approved the execution of a Memorandum of Understanding and Collective Negotiations Agreement between the Board, CWA #1036 Main Unit and Supervisory Unit, covering the period of January 1, 2016 through December 31, 2019. On December 28, 2020, the Board approved the execution of a Memorandum of Understanding and Collective Negotiations Agreement between the Board, CWA Local #1036, Main Unit, Supervisory Unit, Prosecutor's Office Clerical Unit and Superintendent of Elections covering the time period of January 1, 2020 through December 31, 2022.

PBA Local #249 represents County corrections officers and superior corrections officers. On June 27, 2018 the Board approved the execution of a Memorandum of Understanding and Collective Negotiations Agreement between the Board and PBA Local #249 Superior Officers covering the time period of January 1, 2015 through December 31, 2018. The Superior Officers petitioned to initiate interest arbitration in August 2021. PERC assigned an arbitrator and arbitration began October 21, 2021. The County received an interest arbitration award on November 26, 2012 for the corrections officers' unit covering the period of January 1, 2012 through December 31, 2014. Pursuant to State law, the terms of the award have been implemented. On February 28, 2018 the Board approved the implementation of an interest arbitration award that provides for a Collective Negotiations Agreement for a time period of January 1, 2015 through December 31, 2017. On October 23, 2019 the Board approved the execution of a Memorandum of Understanding and Collective Negotiations Agreement between the Board and PBA Local #249 Corrections Officers covering the time period of January 1, 2018 through December 31, 2020. The Corrections Officers petitioned to initiate interest arbitration in July 2021. Interest Arbitration hearings are ongoing and scheduled to conclude at the end of October 2021.

All County Sheriffs' Officers are represented by FOP Lodge #166. In September 2013, the parties received an interest arbitration award that covers the time period of January 1, 2009 through December 31, 2011 and, in October 2013, the parties memorialized the arbitration award in a Collective Negotiations Agreement. The County approved a successor Collective Negotiations Agreement in December 2014, covering the time period of January 1, 2012 through December 31, 2017 and the parties executed the Collective Negotiations Agreement on February 20, 2015. As a result of the COVID-19 Pandemic, collective negotiations were temporarily paused through September of 2020. FOP Lodge #166 petitioned to initiate interest arbitration in April, 2021.

On March 23, 2016, a Collective Negotiations Agreement between the Board and PBA Local #320, Detectives and Investigators was approved for the period of January 1, 2014 through December 31, 2016 and the parties executed the Collective Negotiations Agreement on March 24, 2016. This Collective Negotiations Agreement was also ratified by the members of PBA Local #320, Detectives and Investigators. On April 11, 2018 the Board approved the execution of a Collective Negotiations Agreement between the Board, the Prosecutor's Office and PBA Local #320, Detectives and Investigators for the period of January 1, 2017 through December 31, 2019. On January 22, 2020 the Board approved the execution of a Memorandum of Understanding and Collective Negotiations Agreement between the Board and PBA Local #320, Detectives and Investigators covering the time period of January 1, 2020 through December 31, 2022.

On December 9, 2015, a Memorandum of Understanding between the Board and PBA Local #320, Sergeants and Lieutenants was approved for the period of January 1, 2011 through December 31, 2016. This Memorandum of Understanding was also ratified by the members of PBA Local #320, Sergeants and Lieutenants. In October 2016, the parties executed a Collective Negotiations Agreement covering the time period of January 1, 2014 through December 31, 2016. On February 28, 2018, the Board approved the execution of a Collective Negotiations Agreement with PBA Local #320, Sergeants and Lieutenants covering the time period of January 1, 2017 through December 31, 2019. On January 9, 2020, the Board approved the execution of a Memorandum of Understanding and Collective Negotiations Agreement between the Board and PBA Local #320, Sergeants and Lieutenants covering the time period of January 1, 2020 through December 31, 2022.

The Assistant Prosecutors Association was formed in 2010 and the parties were engaged in negotiations for over two (2) years for an initial contract. On June 12, 2013, the County approved a form of contract with this Unit that covers the time period of January 1, 2010 through December 31, 2013. The Collective Negotiations Agreement was executed on June 26, 2013. In November 2014, the parties executed a successor agreement covering the time period January 1, 2014 through December 31, 2016. On June 27, 2018, the Board approved the execution of Memorandum of Understanding and Collective Negotiations Agreement between the Board, the Burlington County Prosecutor's Office and the Assistant Prosecutor's Association covering the time period of January 1, 2017 through December 31, 2019. The County and Assistant Prosecutors A Collective Negotiations Agreement is finalized and was executed for the years 2020-2022.

The County and the Burlington County Professional Fire Fighters Association, I.A.F.F. Local 3091 (a new unit) are presently engaged in collective negotiations for a Collective Negotiations Agreement.

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

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

As of December 31, 2020, the accumulated cost of unused sick and vacation time was calculated as \$7,194,196.31, but has not been recorded in the financial statements. These charges are paid when an employee leaves the employment of the County from a dedicated reserve account. This reserve account is replenished each year from monies appropriated in the annual budget.

### **Pension Costs**

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

### **County Employees**

As of December 31, 2020, the County employed 1,164 full-time employees and 164 part-time employees.

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

The following is a list of the 20 largest taxpayers located within the County and their 2020 assessed valuations:

<u>Name</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>
Whitesell Enterprises	Real Estate/Construction	\$315,949,300
Davis & Associates/Enterprises	Real Estate/Hotel	209,353,500
Eastgate Center	Real Estate	123,062,500
Rouse-Moorestown, Inc.	Retail – Mall	105,000,000
Deerfield Associates	Apartments	88,361,200
Virtua Memorial	Hospital	86,913,200
STAG Burlington 2, LLC	Office/Warehouse	84,009,400
East Coast Apartments	Apartments	83,172,100
The Estaugh	Senior Citizen Housing	80,253,300
PSE&G	Public Utility	72,657,000
TD Bank	Financial Institution	67,866,800
Centerton Square	Real Estate	66,573,700
ISTAR Bishops Gate	LLC	64,129,800
LSOP NJ LLC	Real Estate	52,833,500
Maplewood III, LLC	Apartments	51,900,000
Lockheed Martin	Defense Contractor	51,695,500
Verizon	Public Utility	50,766,217
CVS Pharmacy	Pharmaceuticals	50,713,000
Target Corp.	Retail – Stores	48,465,800
Berk & Berk at Hunters Glen, LLC	Apartments	41,921,800

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

Virtua Memorial Hospital	6,527
TD Bank	5,000
Lockheed Martin	4,250
Burlington Stores (Coat Factory)	3,013
Amazon (Florence: 2,000 & Burlington: 1,000)	3,000
Freedom Mortgage	1,377
CVS Corporation	1,364
Automotive Resources International (ARI)	1,334
Deborah Heart and Lung Center	1,219
Wawa	1,200
Viking Yacht Co. Corp.	1,180
Holman Automotive Group	982

By comparison, the County employed 1,328 employees as of December 31, 2020.

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

<sup>2</sup> Source: Burlington County Bridge Commission Department of Economic Development and Regional Planning – 2020.

## 2021 COUNTY BUDGET<sup>1</sup>

### CURRENT FUND

#### ANTICIPATED REVENUES:

Fund Balance	\$10,000,000.00
Miscellaneous Revenues	53,493,148.96
Amount to be Raised by Taxation – County Purpose	<u>169,717,000.00</u>

**TOTAL ANTICIPATED REVENUES** \$233,210,148.96

#### APPROPRIATIONS:

Operations	\$177,140,105.35
Capital Improvements	100,000.00
Debt Service	39,098,266.61
Deferred Charges & Statutory Expenditures	<u>16,871,777.00</u>

**TOTAL APPROPRIATIONS** \$233,210,148.96

### SOLID WASTE UTILITY

#### ANTICIPATED REVENUES:

Fund Balance	\$5,418,442.54
Miscellaneous Revenues:	
Sludge Disposal Fees	2,579,590.06
Solid Waste Fees *	26,300,000.00
Miscellaneous	<u>999,000</u>

**TOTAL ANTICIPATED REVENUES** \$35,297,032.60

#### APPROPRIATIONS:

Operating	\$24,731,552.14
Debt Service	9,888,480.46
Deferred Charges and Statutory Expenditures	<u>677,000.00</u>

**TOTAL APPROPRIATIONS** \$35,297,032.60

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\* Solid waste tipping fees for 2021 are currently being billed at \$86.61 per ton (consisting of the base rate of \$78.72 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement fee of \$0.33 per ton) and will assume 2021 solid waste tonnages, without solid waste "flow control". See "SOLID WASTE FLOW CONTROL" herein for a discussion of the re-institution of solid waste "flow control" in the County as of June 15, 2012.

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<sup>1</sup> The 2021 County Budget was adopted on April 14, 2021.

**CAPITAL PROGRAM<sup>1</sup>**  
**PROJECTS FOR THE YEARS 2021-2026**

	<u>ESTIMATED TOTAL COST</u>	<u>2021 BOND AND NOTES GENERAL</u>	<u>2021 GRANTS IN AID AND OTHER FUNDING</u>	<u>FUTURE YEARS</u>
Design, construction, reconstruction and resurfacing of various roadways, bridges and drainage systems, including acquisition of various right-of-way easements therefore, within the County and improvements to various traffic signal systems within the County	\$180,627,240	\$25,612,815	\$26,222,632	\$128,791,792
Acquisition of minor capital equipment for various County departments	600,000	100,000	-	500,000
Various Improvements & Acquisition of Equipment for Information Technology	6,758,400	1,126,400	-	5,632,000
Acquisition of Training Equipment & Upgrades for Public Safety	1,115,000	420,000	-	695,000
Acquisition of Vehicles for Various County Departments	15,326,885	2,571,000	-	12,755,885
Renovations and Improvements and Remediation at Various County Facilities	24,030,500	8,270,500	-	15,760,000
<b>TOTALS</b>	<b>\$228,458,025</b>	<b>\$38,100,715</b>	<b>\$26,222,632</b>	<b>\$164,134,677</b>

<sup>1</sup> The 2021-2026 County Capital Program was adopted on April 14, 2021.

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>COLLECTED AMOUNT</u>	<u>YEAR OF LEVY PERCENTAGE</u>
2021	\$169,717,000.00	\$-	-%
2020	169,717,000.00	169,717,000.00	100%
2019	161,283,330.00	161,283,330.00	100%
2018	161,533,330.00	161,533,330.00	100%
2017	155,470,000.00	155,470,000.00	100%

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

<u>YEAR</u>	<u>EQUALIZED VALUATIONS</u>	<u>COUNTY TAX RATE<sup>2</sup></u>
2021	\$49,955,080,015	0.3408
2020	49,475,671,215	0.3437
2019	48,108,043,812	0.3366
2018	47,392,206,315	0.3444
2017	46,619,878,327	0.3352

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

<u>YEAR</u>	<u>TAX RATE<sup>2</sup></u>
2021	0.0200
2020	0.0200
2019	0.0300
2018	0.0250
2017	0.0400

**COUNTY LIBRARY TAX**

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

<u>YEAR</u>	<u>COUNTY LIBRARY TAX RATE<sup>3</sup></u>
2021	0.0303
2020	0.0305
2019	0.0315
2018	0.0304
2017	0.0310

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

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

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



**COUNTY OF BURLINGTON, NEW JERSEY  
2020 REAL PROPERTY CLASSIFICATION**

VACANT	\$510,925,311	1.15%
RESIDENTIAL	34,662,165,820	78.14
FARM	519,614,120	1.17
COMMERCIAL	5,744,475,448	12.95
INDUSTRIAL	1,587,581,630	3.58
APARTMENTS	<u>1,332,749,700</u>	<u>3.01</u>
TOTAL <sup>1</sup>	<u>\$44,357,512,029</u>	<u>100.00%</u>

**FIVE YEAR COMPARISON  
REAL PROPERTY CLASSIFICATION**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
VACANT	\$ 542,561,300	\$ 552,236,575	\$ 552,330,625	\$ 546,762,711	\$ 510,925,311
RESIDENTIAL	33,752,264,825	34,284,732,778	34,417,403,728	34,591,397,210	34,662,165,820
FARM	520,567,539	525,445,979	521,824,957	515,685,945	519,614,120
COMMERCIAL	5,625,557,512	5,801,010,177	5,791,851,340	5,765,055,090	5,744,475,448
INDUSTRIAL	1,492,953,012	1,504,531,462	1,481,287,107	1,492,396,130	1,587,581,630
APARTMENTS	<u>1,235,458,550</u>	<u>1,271,056,200</u>	<u>1,2788,068,100</u>	<u>1,294,822,900</u>	<u>1,332,749,700</u>
TOTAL <sup>1</sup>	<u>\$43,169,362,738</u>	<u>\$43,939,013,171</u>	<u>\$44,055,765,857</u>	<u>\$44,206,119,986</u>	<u>\$44,357,512,029</u>

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

# STATEMENT OF EQUALIZED VALUATIONS FOR CONSTITUENT MUNICIPALITIES

## STATEMENT OF EQUALIZED VALUATIONS FOR CONSTITUENT MUNICIPALITIES

	2021			2020			2019		
	Equalized Value-Land and Improvements	Equalized Valuation on Which County Taxes are Apportioned	Percentage (1)	Equalized Value-Land and Improvements	Equalized Valuation on Which County Taxes are Apportioned	Percentage (1)	Equalized Value-Land and Improvements	Equalized Valuation on Which County Taxes are Apportioned	Percentage (1)
Bass River Township	\$173,172,900	\$180,834,949	0.36%	\$170,776,200	\$174,609,830	0.35%	\$170,388,700	\$175,506,303	0.36%
Beverly City	118,200,100	121,108,609	0.24%	119,304,500	125,118,243	0.25%	119,194,200	123,726,491	0.26%
Bordentown City	334,595,000	361,688,629	0.72%	333,683,300	367,989,083	0.74%	331,179,000	353,545,016	0.73%
Bordentown Township	1,205,997,627	1,613,562,065	3.23%	1,185,928,458	1,604,709,184	3.24%	1,170,287,118	1,465,862,559	3.05%
Burlington City	599,089,400	643,275,003	1.29%	604,814,400	659,867,173	1.33%	616,909,300	632,160,877	1.31%
Burlington Township	2,392,344,550	2,715,477,474	5.44%	2,362,172,850	2,754,628,232	5.57%	2,329,217,850	2,527,457,076	5.25%
Chesterfield Township	833,526,600	863,727,198	1.73%	820,625,600	859,152,947	1.74%	801,156,900	835,030,984	1.74%
Cinnaminson Township	1,615,005,100	1,874,846,207	3.75%	1,610,009,200	1,820,092,659	3.68%	1,606,878,600	1,774,848,888	3.69%
Delanco Township	403,859,400	446,718,058	0.89%	400,355,200	434,135,185	0.88%	397,325,600	420,975,810	0.88%
Delran Township	1,429,243,600	1,640,349,905	3.28%	1,425,281,600	1,648,121,796	3.33%	1,417,262,792	1,600,293,008	3.33%
Eastampton Township	469,493,600	539,665,743	1.08%	449,150,498	503,869,623	1.02%	449,353,998	484,397,402	1.01%
Edgewater Park Township	580,411,860	577,642,184	1.16%	578,178,160	568,808,630	1.15%	595,721,900	535,956,741	1.11%
Evesham Township	5,274,230,857	5,622,951,341	11.26%	5,267,668,070	5,657,304,172	11.43%	5,256,488,022	5,608,104,455	11.66%
Fieldsboro Borough	52,612,100	57,620,568	0.12%	55,840,100	62,484,213	0.13%	54,903,600	59,039,481	0.12%
Florence Township	1,276,480,200	1,329,691,341	2.66%	1,263,876,000	1,298,713,220	2.62%	1,253,878,300	1,270,824,813	2.64%
Hainesport Township	771,470,005	885,577,062	1.77%	767,941,400	854,586,610	1.73%	768,260,000	845,779,885	1.76%
Lumberton Township	1,380,791,623	1,416,841,174	2.84%	1,379,313,823	1,412,518,116	2.85%	1,378,078,863	1,381,536,535	2.87%
Mansfield Township	1,008,630,600	1,262,937,360	2.53%	1,008,361,913	1,250,463,631	2.53%	1,005,914,916	1,231,535,309	2.56%
Maple Shade Township	1,308,264,460	1,442,025,387	2.89%	1,286,220,660	1,384,900,402	2.80%	1,290,033,430	1,362,829,339	2.83%
Medford Township	3,056,735,700	3,490,424,954	6.99%	3,040,761,900	3,403,996,785	6.88%	3,032,774,100	3,350,157,557	6.96%
Medford Lakes Borough	450,386,600	504,419,127	1.01%	450,066,500	495,530,831	1.00%	449,000,800	479,815,092	1.00%
Moorestown Township	4,101,945,420	5,015,732,730	10.04%	4,070,631,799	5,098,905,826	10.31%	4,059,550,899	4,885,645,829	10.16%
Mount Holly Township	647,547,100	675,855,045	1.35%	639,789,100	658,210,959	1.33%	651,160,000	626,691,338	1.30%
Mount Laurel Township	5,829,429,300	6,563,767,806	13.14%	5,789,619,200	6,398,633,379	12.93%	5,790,409,200	6,335,723,833	13.17%
New Hanover Township	64,733,200	99,680,989	0.20%	64,714,900	90,423,539	0.18%	64,847,500	90,295,078	0.19%
North Hanover Township	433,397,040	450,714,930	0.90%	433,714,043	454,136,292	0.92%	431,021,143	435,526,727	0.91%
Palmyra Borough	477,400,245	527,434,515	1.06%	476,635,245	510,274,077	1.03%	477,509,200	514,919,117	1.07%
Pemberton Borough	101,416,200	112,259,190	0.22%	101,745,200	111,681,337	0.23%	101,949,300	108,145,856	0.22%
Pemberton Township	1,482,942,400	1,507,392,986	3.02%	1,485,468,700	1,528,414,755	3.09%	1,490,200,400	1,493,639,896	3.10%
Riverside Township	435,034,400	428,993,869	0.86%	434,905,400	440,688,824	0.89%	436,533,100	444,043,902	0.92%
Riverton Borough	242,327,900	293,772,250	0.59%	241,399,600	287,837,670	0.58%	241,931,600	279,283,334	0.58%
Shamong Township	660,813,400	727,042,311	1.46%	662,760,100	718,222,197	1.45%	662,664,900	710,610,291	1.48%
Southampton Township	994,680,950	1,260,667,517	2.52%	993,846,700	1,211,162,687	2.45%	996,105,500	1,150,222,259	2.39%
Springfield Township	386,347,630	443,369,202	0.89%	386,163,230	446,732,396	0.90%	384,813,330	422,641,962	0.88%
Tabernacle Township	677,326,100	761,843,346	1.53%	666,904,700	744,205,976	1.50%	665,196,500	733,882,163	1.53%
Washington Township	94,967,400	108,764,454	0.22%	95,035,000	102,397,488	0.21%	94,673,600	90,833,611	0.19%
Westampton Township	1,177,466,600	1,245,814,655	2.49%	1,163,933,430	1,229,992,964	2.49%	1,160,386,400	1,208,891,661	2.51%
Willingboro Township	1,881,365,700	1,950,325,201	3.90%	1,874,950,700	1,911,755,427	3.86%	1,872,878,500	1,865,841,842	3.88%
Woodland Township	154,647,000	146,331,854	0.29%	155,994,600	146,213,688	0.30%	156,907,500	146,878,696	0.31%
Wrightstown Borough	39,094,150	43,932,827	0.09%	38,970,050	44,181,169	0.09%	39,165,250	44,942,796	0.09%
	<u>\$44,617,424,017</u>	<u>\$49,955,080,015</u>	<u>100.00%</u>	<u>\$44,357,512,029</u>	<u>\$49,475,671,215</u>	<u>100.00%</u>	<u>\$44,272,111,811</u>	<u>\$48,108,043,812</u>	<u>100.00%</u>

Source: County Abstract of Ratables

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

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

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

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

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

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

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

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

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

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

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

### **Revenue**

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

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

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

A statute passed in 1976, as amended (*N.J.S.A. 40A:4-45.1 et seq.*), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations and county tax levies subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the "Cap Law". Since its inception, the "Cap Law" has been amended and modified several times, most recently on July 13, 2010. While the revised "Cap Law" is more restrictive on the ability of a local unit to increase its overall appropriations or tax levy, it does not limit the obligation of the County to levy *ad valorem* taxes upon all taxable real property within the County to pay debt service on the Notes. The Cap Law provides that subject to certain exceptions, a county shall limit any increase in the county tax levy to 2.5% or the index rate, whichever is less, over the previous year's county tax levy, or when the index rate is less than or equal to 2.5% a county may increase its tax levy to 3.5% upon passage of a resolution. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the New Jersey Department of Community Affairs, Division of Local Government Services, Local Finance Board ("Local Finance Board"), a State regulatory agency, for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2.00%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2.00%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.00%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.00% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 *et seq.*), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate (including, in particular, those costs incurred as a result of the state of emergency declared by Executive Order 103 provided by Governor Phil Murphy on March 9, 2020 in response to the coronavirus outbreak). The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A. 40A:4-45-46*) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2.00%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2.00%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

In response to the outbreak of the Coronavirus (as defined below in “CERTAIN RISK FACTORS – Recent Healthcare Developments”), the Local Finance Board released Local Finance Notice 2020-07 on March 24, 2020, specifically permitting emergency appropriations for COVID-19 response post budget adoption. In sum, such appropriation must be approved by 2/3 vote of the governing body and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers expenses incurred during the emergency response. Moreover, to the extent that these post budget adoption appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year’s budget would be an eligible exception to both the levy cap and the appropriations cap.

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

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

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

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

### **Real Estate Taxes**

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

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

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

In response to the outbreak of the Coronavirus (as defined below in “CERTAIN RISK FACTORS – Recent Healthcare Developments”), the Local Finance Board released Local Finance Notice 2020-11 on May 4, 2020, specifically permitting alternative methodologies for calculating the Reserve For Uncollected Taxes. Instead of using the method described above, under certain conditions one of the following two alternatives may be used: (i) N.J.S.A. 40A:4-41(c) allows for use of the average of the prior three (3) years’ tax collection rate to mitigate a short term decrease in the tax collection rate; or (ii) N.J.S.A. 40A:4-41(d) allows for a municipality to reduce the prior year’s certified tax levy by the amount of any tax levy adjustment resulting from a tax appeal judgement. Use of either alternative calculation requires submission to DLGS of a resolution of the governing body and subsequent approval therefrom.

See “CERTAIN RISK FACTORS – Recent Healthcare Developments” below for additional information on temporary changes made to property tax laws and regulations in response to the Coronavirus.

### **Deferral of Current Expenses**

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

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

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

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

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

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

### **Related Constitutional and Statutory Provisions**

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

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

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

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

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

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

The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the State Municipal Finance Commission Act. This Act provides that such petitions may not be filed without the prior approval of the Municipal Finance Commission ("Commission") and that no plan or readjustment of the municipality's debts may be filed or accepted by the petitioner without express authority from the Commission to do so. See "COUNTY INDEBTEDNESS - The Municipal Finance Commission" herein.

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

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

## COUNTY INDEBTEDNESS

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

The Local Bond Law governs the issuance of bonds and notes by the County to finance certain capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded, that bonds be retired in serial installments and that cash down payments equal to at least five percent (5%) of the bond authorization be generally provided.

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

The authorized bond indebtedness of the County is limited by statute, subject to the exceptions as noted below, to an amount equal to two percent (2%) of its equalized valuation basis. The equalized valuation basis of the County is set by statute as the average for the last three (3) years of the sum total of the equalized value of all taxable real property and improvements and the assessed valuation of certain Class II railroad property within its boundaries as annually determined by the Director of the Division of Taxation in the State Department of the Treasury. The County is within its two percent debt limit. See "DEBT RATIOS AND VALUATIONS" herein.

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

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

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

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

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

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



"Municipal Finance Commission Statutes" are available to assist in restoring the stability of the local unit.

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

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

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

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

The County College, BCIT (County vocational school) and Burlington County Special Services School District are not permitted to issue debt obligations. Instead, the County itself must issue debt for County College projects in accordance with *N.J.S.A. 18A:64A-19 et seq.*, which generally requires compliance with the Local Bond Law except that no down payment is required. The County itself must also issue debt for BCIT projects in accordance with *N.J.S.A. 18A:54-31* and for Burlington County Special Services School District projects in accordance with *N.J.S.A. 18A:46-42* each of which, likewise, generally require compliance with the Local Bond Law except that debt limitations and down payment requirements contained in the Local Bond Law do not apply.

### **SOLID WASTE UTILITY**

The County owns and operates the Burlington County Resource Recovery Complex located in the Townships of Florence and Mansfield, New Jersey ("Complex") which provides solid waste processing and disposal services in accordance with the New Jersey Solid Waste Management Act, constituting Chapter 39 of the Pamphlet Laws of 1970 of the State of New Jersey, as amended and supplemented, and the regulations promulgated thereunder (collectively, the "Solid Waste Management Act"). The Complex consists of two sanitary landfills (respectively, "Landfill No. 1" and "Landfill No. 2"), processing and storage facilities for bulky waste and recyclables, a scale house, a research greenhouse, a hazardous waste facility for household and small quantity generator waste, a leachate/wastewater treatment facility, maintenance facilities, a co-composting facility, and a methane gas electric generating facility. Pursuant to *N.J.S.A. 13:1E-27*, the Complex is deemed a

public utility ("Utility") and subject to the jurisdiction of the New Jersey Department of Environmental Protection ("NJDEP"). Authority for the economic regulation of the solid waste industry was formally vested with the Board of Public Utilities. By order dated February 1, 1989, the State Board of Public Utilities issued a Certificate of Public Convenience and Necessity and awarded a solid waste disposal franchise to the Board for Waste Types 10, 13, 23, 25 and 27.

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

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

The Utility is supported by revenues generated by the operation of the Complex. A separate budget is established for the Utility. The anticipation of revenues and appropriations for the Utility is set forth in such separate budget, which is required to be balanced and to fully provide for debt service. See "2021 COUNTY BUDGET - SOLID WASTE UTILITY" herein. The State budget regulations for local governments, including the County, regarding anticipation of revenue and deferral of charges apply equally to the budget of the Utility. Deficits or anticipated deficits in Utility operations, which cannot be provided for from the Utility surplus, if any, are required to be raised in the "current" or operating budget of the local government. See "CERTAIN PROVISIONS OF THE LAWS OF NEW JERSEY RELATING TO COUNTY FINANCIAL OPERATIONS" herein for a description of the budgeting process for counties and municipalities in the State. The debt obligations issued by the County incident to the Complex are general obligations of the County, payable ultimately from *ad valorem* taxes levied upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount to the extent payment is not otherwise provided from the Utility.

## **SOLID WASTE FLOW CONTROL**

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

On May 16, 1994, the Supreme Court of the United States held that certain "flow control" legislation was unconstitutional in the case of C & A Carbone v. Clarkstown, 128 L.Ed. 2d 399 (1994). The County-wide solid waste management system was determined to be unconstitutional

based upon the decision in Atlantic Coast Demolition & Recycling, Inc. v. Board of Chosen Freeholders of Atlantic County, 112 F.3d 652 (3d Cir. 1997). In response thereto, the County made certain amendments to its solid waste management system in accordance with the findings of the federal courts in the *Atlantic Coast* case and the requirements of the Solid Waste Management Act and related statutes. The first County Plan Amendment occurred in September 1997 ("Amendment 97-1"). Amendment 97-1 set forth a plan for the County to procure voluntary service contracts for the disposal of solid waste with municipalities, solid waste haulers and waste generators to ensure sufficient revenues to meet its financial obligations at the Complex. Currently, the County has executed solid waste delivery agreements with thirty-nine out of forty of its constituent municipalities for waste processing and disposal services and recycling collection services through December 31, 2021.

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

The Complex processed 338,285 tons of solid waste in 2020 for which 2020 solid waste tipping fees were assessed and paid and the Utility was self-liquidating. The County's 2020 solid waste tipping fee was \$85.07 per ton (consisting of the base rate of \$77.18 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement fee of \$0.33 per ton). The County's 2021 solid waste tipping fee is \$86.61 per ton (consisting of the base rate of \$78.72 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement fee of \$0.33 per ton).

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

On November 5, 1996 and November 3, 1998, pursuant to P.L. 1997, c. 24 (*N.J.S.A. 40:12-15.1 et seq.*), the voters of the County authorized the establishment of the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 1997. For the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland or open space, the County proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation for fifteen years. The revenue raised by the first cent is devoted to the acquisition of farmlands for farmland preservation. The revenue raised by the second cent is devoted to any of the purposes of the law. Amounts raised by taxation are

apportioned by the County Board of Taxation among the constituent municipalities in accordance with *N.J.S.A.* 54:4-9 and are assessed, levied and collected in the same manner and at the same time as other County taxes. In November 1998, the County increased the levy by two cents to four cents per one hundred dollars of equalized valuation until 2018. In the general election in November 2006, the voters of the County authorized extending the sunset provisions until 2035. Future changes to the tax rate or levy must be authorized by referendum. All revenues received are accounted for in a Trust Fund dedicated by rider (*N.J.S.A.* 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund. The amount of the tax levy is set annually by resolution adopted by the Board. In 2020 the Board adopted a resolution to set the levy at two cents (\$0.02) per one hundred dollars of equalized valuation.

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

**As of October 15, 2021**

**BONDS AND NOTES ISSUED:**

**Serial Bonds Issued:**

General	\$109,165,590		
Vocational School	1,416,076		
Special Services School District	5,435,418		
County College	<u>61,472,916</u>		
		\$177,490,000	
Solid Waste Utility		34,445,000	
Burlington County Bridge Commission		<u>270,713,600</u>	
			\$482,648,600

**Bond Anticipation Notes Issued:**

General Improvement	-		
Solid Waste Utility	-		
Burlington County Bridge Commission	<u>103,995,000</u>		
			103,995,000

**Loans Payable:**

Green Acres		169,957	
Environmental Infrastructure Trust		2,795,805	
I-BANK		3,325,000	
Wastewater Trust / NJDEP		<u>0</u>	
			6,290,761

**Serial Bonds - Authorized but not Issued <sup>(1)</sup>:**

General	\$14,705,826		
County College	-		
Vocational School	-		
Special Services School	<u>-</u>		
		\$14,705,827	
Solid Waste Utility		<u>10,665,193</u>	
			<u>25,371,020</u>

**TOTAL GROSS DEBT:**

618,305,381

**Applicable Deductions from Gross Debt:**

Funds on Hand <sup>(1)</sup>	\$1,603,825		
Accounts Receivable from Other Public Authorities	\$10,380,000		
Investments for IPAs <sup>(1)</sup>	<u>4,741,165</u>		
		\$16,724,990	
Solid Waste Utility		45,110,193	
Burlington County Bridge Commission		<u>374,708,600</u>	
			<u>436,543,783</u>

**TOTAL NET DEBT:**

\$181,761,598

<sup>(1)</sup> As of December 31, 2020.

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

**As of October 15, 2021**

Solid Waste Utility System	
(a) Gross Solid Waste Utility System Debt	\$45,110,193
(b) Less: Deficit (Capitalized at 5%)	\$0
(c) Deduction	\$45,110,193
(d) Plus: Cash on Hand to Pay Bonds and Notes included in above	\$0
(e) Total Deduction	\$45,110,193

**DEBT RATIOS AND VALUATIONS**

**As of October 15, 2021**

Average of Equalized Valuation of Real Property With Improvements and Second Class Railroad Property for 2018, 2019 and 2020.	\$48,626,343,339
Statutory Net Debt as a Percentage of the Average of Equalized Valuation of Real Property for 2018, 2019 and 2020.	0.37%
2021 Net Valuation Taxable <sup>1</sup> .	\$44,616,600,805
2021 Total Value of Land and Improvements.	\$49,955,080,015
Gross Debt <sup>(1)</sup>	
As a Percentage of 2021 Net Valuation Taxable	1.39%
As a Percentage of 2021 Equalized Valuation	1.24%
Net Debt	
As a Percentage of 2021 Net Valuation Taxable	0.41%
As a Percentage of 2021 Equalized Valuation	0.36%
Gross Debt per Capita <sup>(2)</sup>	\$1,377.89
Net Debt per Capita <sup>(1)</sup>	\$405.05

**BORROWING CAPACITY**

**As of October 15, 2021**

Statutory Borrowing Power	
2% of Average (2018-2020) Equalized Valuation of Real Property With Improvements and Second Class Railroad Property (\$48,626,343,339)	\$972,526,867
Net Debt	\$181,761,598
Remaining Borrowing Power Available Under <i>N.J.S.A. 40A:2-6</i>	\$790,765,269

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

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

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<sup>1</sup> Source: 2021 Abstract of Ratables

**SCHEDULE OF COUNTY DEBT SERVICE  
(BONDED DEBT AND LOANS)  
As of October 15, 2021**

Year	<u>Principal Outstanding by Purpose</u>						<u>Total</u>		Principal and Interest*
	General <sup>(1)</sup>	College	Vocational School	Special Services School Bonds	Open Space <sup>(2)</sup>	Solid Waste Utility	Principal	Interest*	
2021	\$990,000	-	-	-	\$2,707	\$2,570,000	\$3,562,707	\$1,776,837	\$5,339,544
2022	14,616,059	\$4,053,175	\$1,039,324	\$1,029,753	2,253,405	6,450,000	29,441,715	5,353,701	34,795,416
2023	9,202,414	4,139,490	80,666	670,740	2,308,674	6,500,000	22,901,984	4,488,592	27,390,576
2024	9,334,879	4,237,730	81,484	679,217	2,368,949	6,560,000	23,262,259	3,834,635	27,096,894
2025	9,474,291	4,327,387	82,488	689,144	2,376,297	4,035,000	20,984,608	3,204,513	24,189,121
2026	6,876,787	4,411,992	42,829	431,703	2,393,564	4,115,000	18,271,875	2,688,242	20,960,116
2027	6,996,920	3,734,291	43,987	443,114	2,418,736	4,215,000	17,852,047	2,275,756	20,127,803
2028	7,119,301	3,843,226	45,298	455,486	2,458,912	-	13,922,222	1,890,524	15,812,746
2029	5,066,382	2,613,649	-	178,280	2,504,091	-	10,362,401	1,584,667	11,947,068
2030	2,845,222	2,659,686	-	183,403	2,549,274	-	8,237,584	1,346,907	9,584,491
2031	2,919,062	2,730,723	-	188,526	2,609,460	-	8,447,770	1,130,653	9,578,423
2032	2,961,129	2,817,263	-	194,308	2,664,650	-	8,637,349	904,469	9,541,819
2033	2,910,343	2,879,305	-	200,351	2,719,844	-	8,709,844	669,081	9,378,925
2034	1,088,606	2,185,000	-	91,394	10,042	-	3,375,042	471,528	3,846,570
2035	30,000	2,245,000	-	-	10,244	-	2,285,244	398,926	2,684,170
2036	30,000	2,310,000	-	-	10,450	-	2,350,450	342,045	2,692,495
2037	-	2,375,000	-	-	10,660	-	2,385,660	283,585	2,669,245
2038	-	2,450,000	-	-	-	-	2,450,000	224,675	2,674,675
2039	-	2,525,000	-	-	-	-	2,525,000	164,125	2,689,125
2040	-	2,590,000	-	-	-	-	2,590,000	101,875	2,691,875
2041	-	1,155,000	-	-	-	-	1,155,000	53,025	1,208,025
2042	-	1,190,000	-	-	-	-	1,190,000	17,850	1,207,850
	<u>\$82,461,394</u>	<u>\$61,472,916</u>	<u>\$1,416,076</u>	<u>\$5,435,418</u>	<u>\$29,669,957</u>	<u>\$34,445,000</u>	<u>\$214,900,761</u>	<u>\$33,206,211</u>	<u>\$248,106,972</u>

*\*Totals may not add due to rounding.*

(1) Includes New Jersey Environmental Infrastructure Trust, Series 2014A and Series 2016A and does not include General Obligation Bonds, Series 2013C and 2020B (Open Space)

(2) Includes New Jersey Environmental Infrastructure Trust, Series 2004A, Green Acres Loans and General Obligation Bonds, Series 2013C and 2020B (Open Space)

**STATEMENT OF DEBT OF CONSTITUENT MUNICIPALITIES<sup>(1)</sup>**  
**As of December 31, 2020**

	Gross Debt			Statutory Deductions <sup>(2)</sup>			Net Debt	Equalized Valuation	Percent of Net Debt <sup>(3)</sup>
	School	Self-Liquidating	Other	School	Self-Liquidating	Other			
Bass River Township	\$2,895,386	-	-	\$2,895,386	-	-	\$0	\$175,675,350	0.000%
Beverly City	745,000	-	1,131,765	745,000	-	93,181	1,038,584	123,184,958	0.843%
Bordentown City	5,184,702	12,617,695	6,287,357	5,184,702	\$12,617,695	6,854	6,280,503	357,450,283	1.757%
Bordentown Township	20,737,714	-	43,061,100	20,737,714	-	6,251,865	36,809,235	1,429,725,859	2.575%
Burlington City	930,000	10,143,084	10,973,669	930,000	10,143,084	-	10,973,669	647,609,522	1.694%
Burlington Township	13,119,000	18,987,735	13,475,066	13,119,000	18,987,735	200,000	13,275,066	2,579,337,942	0.515%
Chesterfield Township	44,972,086	577,834	8,639,721	34,212,186	577,834	564,380	18,835,240	833,004,022	2.261%
Cinnaminson Township	33,975,000	-	26,375,338	33,975,000	-	3,631,171	22,744,167	1,809,823,353	1.257%
Delanco Township	3,570,000	-	1,984,652	3,570,000	-	-	1,984,652	425,625,062	0.466%
Delran Township	18,980,000	4,681,860	16,270,530	18,980,000	4,681,860	232,576	16,037,954	1,617,747,705	0.991%
Eastampton Township	10,159,369	-	7,830,000	10,159,369	-	-	7,830,000	494,615,269	1.583%
Edgewater Park Township	13,590,000	-	8,877,515	13,590,000	-	344,579	8,532,936	561,150,844	1.521%
Evesham Township	12,686,501	5,657,056	52,117,595	12,686,501	5,657,056	-	52,117,595	5,586,587,876	0.933%
Fieldsboro Borough	831,584	132,015	133,500	831,584	132,015	-	133,500	57,332,125	0.233%
Florence Township	16,100,000	14,212,000	29,195,614	16,100,000	14,212,000	0	29,195,614	1,273,851,807	2.292%
Hainesport Township	9,208,014	-	1,473,559	9,208,014	-	466,164	1,007,395	856,718,232	0.118%
Lumberton Township	17,565,246	-	10,684,920	17,565,246	-	-	10,684,920	1,397,583,208	0.765%
Mansfield Township	22,277,563	192,150	12,527,046	22,277,563	192,150	170	12,526,876	1,236,559,259	1.013%
Maple Shade Township	59,590,000	30,641,135	23,252,500	55,342,626	30,641,135	27,000	27,472,874	1,383,565,640	1.986%
Medford Township	19,559,875	22,049,624	38,171,255	19,559,875	22,049,624	354,959	37,816,296	3,392,894,650	1.115%
Medford Lakes Borough	4,707,229	9,855,510	6,767,540	4,707,229	9,855,510	3,151,415	3,616,125	492,419,822	0.734%
Moorestown Township	46,900,000	58,729,595	45,405,048	46,900,000	58,729,595	648,243	44,756,805	4,952,235,600	0.904%
Mount Holly Township	9,974,724	-	18,980,811	9,974,724	-	-	18,980,811	638,859,402	2.971%
Mount Laurel Township	48,003,804	-	48,172,309	48,003,804	-	5,663,474	42,508,835	6,413,271,345	0.663%
New Hanover Township	-	-	53,453	-	-	-	53,453	92,369,457	0.058%
North Hanover Township	7,129,101	-	5,800,000	7,129,101	-	-	5,800,000	443,604,401	1.307%
Palmyra Borough	6,480,000	5,426,987	14,106,392	6,480,000	5,426,987	573,850	13,532,542	515,945,861	2.623%
Pemberton Borough	-	1,030,589	1,059,517	-	1,030,589	-	1,059,517	110,543,873	0.958%
Pemberton Township	-	5,733,785	23,668,046	-	5,733,785	0	23,668,046	1,510,054,893	1.567%
Riverside Township	2,105,000	-	5,093,500	2,105,000	-	54,336	5,039,164	433,383,599	1.163%
Riverton Borough	-	-	2,525,549	-	-	-	2,525,549	286,306,461	0.882%
Shamong Township	2,623,895	-	985,242	2,623,895	-	-	985,242	717,735,368	0.137%
Southampton Township	4,754,501	640,400	5,810,895	4,754,501	640,400	601	5,810,294	1,204,641,105	0.482%
Springfield Township	6,986,251	-	8,465,000	6,986,251	-	-	8,465,000	434,715,594	1.947%
Tabernacle Township	3,349,272	-	11,431,250	3,349,272	-	30,920	11,400,330	740,762,880	1.539%
Washington Township	-	-	-	-	-	-	-	98,910,085	0.000%
Westampton Township	10,512,646	-	5,746,671	10,512,646	-	579,352	5,167,319	1,215,327,247	0.425%
Willingboro Township	19,970,000	-	40,420,788	19,970,000	-	-	40,420,788	1,894,508,754	2.134%
Woodland Township	333,907	-	200,000	333,907	-	-	200,000	147,038,064	0.136%
Wrightstown Borough	-	-	1,072,500	-	-	-	1,072,500	43,666,564	2.456%
	<u>\$500,507,369</u>	<u>\$201,309,054</u>	<u>\$558,227,213</u>	<u>\$485,500,095</u>	<u>\$201,309,054</u>	<u>\$22,875,091</u>	<u>\$550,359,395</u>	<u>\$48,626,343,339</u>	<u>1.132%</u>

(1) Source: 2020 Annual Debt Statement

(2) Statutory Deductions are used to determine the municipal borrowing capacity under state law and are not intended to indicate that the debt is payable from a source other than the local property tax.

(3) The debt limitation of municipalities under N.J.S. 40A:2.6 is 3 1/2% of its average equalized valuation.



**APPENDIX C**  
**COPY OF THE 2017-1 BOND RESOLUTION**

RESOLUTION NO. 2021-60

SUPPLEMENTAL RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION AUTHORIZING THE ISSUANCE OF LEASE REVENUE NOTES, SERIES 2021 C-1 AND SUPPLEMENTING THE COMMISSION'S RESOLUTION ENTITLED "RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OR NOTES (2015 GOVERNMENTAL LEASING PROGRAM), SERIES 2017, DULY ADOPTED ON SEPTEMBER 2017

BACKGROUND

WHEREAS, the Burlington County Bridge Commission (the "Commission") was created by a resolution adopted by the Board of Chosen Freeholders of the County of Burlington, New Jersey (the "County") pursuant to Self Liquidating Bridges Act of the State of New Jersey, constituting Article 2 of Chapter 17 of the Pamphlet Laws of 1934, as amended and supplemented (the "Act"); and

WHEREAS, the Commission has the authority to issue notes pursuant to Resolution 2017-84 of the Commission entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds or Notes (2015 Governmental Leasing Program) Series 2017", adopted September 18, 2017, as the same may be further amended and supplemented (collectively, the "Bond Resolution"); and

WHEREAS, the Bond Resolution authorized the Commission to issue not-to-exceed \$45,430,737 in Lease Revenue Bonds or Notes for the purpose of temporarily financing a portion of the County's 2015 Capital Budget consisting of the construction of various infrastructure improvements (collectively, the "Improvements") and acquisition and installation of various items of capital equipment (collectively, the "Equipment") and together with the Improvements, the "2015 Capital Program"); and

WHEREAS, on December 13, 2017, the Commission issued its \$12,000,000 Lease Revenue Notes, Series 2017C-1, maturing on December 12, 2018 (as described further below, the "Series 2017C-1 Notes") for the purpose of (i) financing \$12,000,000 in costs of construction of the Improvements and acquisition and installation of items of Equipment (the "2017C-1 Capital Program") and (ii) paying the costs and expenses associated with the issuance of the Series 2017C-1 Notes (the "2017C-1 Project"), and to secure the Series 2017C-1 Notes, the Commission and the County will execute (x) an Improvement Lease and Agreement, to be dated December 13, 2017 (the "2017-1 Improvement Lease and Agreement"), to be dated December 13, 2017 (the "2017-1 Improvement Lease and Agreement"), to be dated December 13, 2017 (the "2017-1 Equipment Lease" (the "2017-1 Improvement Lease and the 2017-1 Equipment Lease are hereinafter collectively referred to as the "2017-1 Leases"); and

WHEREAS, the Series 2017C-1 Notes matured on December 12, 2018; and

WHEREAS, at the direction of the County, on November 27, 2018, the Commission issued \$12,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2018C-1 (the "Series 2018C-1 Notes") to refinance the maturing principal of the Series 2017C-1 Notes; and

WHEREAS, the Series 2018C-1 Notes mature on November 26, 2019; and

WHEREAS, at the direction of the County, on the date hereof, the Commission is selling \$25,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2019C-1 (the "Series 2019C-1 Notes") for the purpose of: (i) refunding in full the Commission's \$12,000,000 Lease Revenue Notes (2018C-1 Governmental Leasing Program), Series 2018C-1 at maturity; (ii) temporarily financing \$13,000,000 of additional costs associated with the 2015 County Capital Program Improvements and Equipment; and (iii) paying costs and expenses

Section 202. **Terms of Series 2021 C-1 Notes.** (a) The Series 2021 C-1 Notes shall be dated their date of issuance, shall mature and shall bear interest at such rate of interest per annum as shall be determined by the Series Certificate delivered prior to the authentication and delivery upon original issuance of the Series 2021 C-1 Notes. The Series Certificate may contain such other terms and provisions with respect to the Series 2021 C-1 Notes that are not established by the terms of the Resolution or by the terms hereof and that are not inconsistent with the provisions thereof and hereof.

(b) The Series 2021 C-1 Notes shall be issued in fully registered form in the par amount of the Series 2021 C-1 Notes. Unless the Commission shall otherwise direct the Registrar, the Series 2021 C-1 Notes shall be lettered and numbered R-1 and/or such other letter or letters as determined by the Trustee prefixed to the number. Subject to the provisions of this 2021 C-1 Supplemental Note Resolution, the form of the Series 2021 C-1 Notes and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401 and 1402 of the Resolution.

(c) The Series 2021 C-1 Notes shall be dated, and shall bear interest from the dated date thereof as shall be established in the Series Certificate, except as otherwise provided in Section 301 of the Resolution. The Series 2021 C-1 Notes shall mature on the date and in the Principal Amount, and shall bear interest payable on the Note Payment Date at the rate per annum set forth in the Series Certificate relating thereto.

Section 203. **Application of Proceeds of Series 2021 C-1 Notes.** The proceeds from the sale of the Series 2021 C-1 Notes shall be applied by the Trustee, upon receipt, in the manner set forth in Section 201 hereof and as may be further set forth in the Series Certificate.

Section 204. **Sale of Series 2021 C-1 Notes.** (a) Pursuant to and in accordance with the terms of the Resolution, as further amended and supplemented by this 2021 C-1 Supplemental Note Resolution, the Commission hereby determines that the Authorized Commission Representatives are authorized to sell and to award the Series 2021 C-1 Notes on behalf of the Commission to the purchaser thereof, including the power to determine, among other things, (a) the amount of the Series 2021 C-1 Notes to be issued, in an amount not-to-exceed the amount of the Series 2021 C-1 Notes that are authorized to be issued pursuant to the terms of Section 201 hereof; (b) the time and manner of sale of the Series 2021 C-1 Notes; (c) the maturity date of the Series 2021 C-1 Notes (subject to the limitations contained below and in Section 202 hereof) and the provisions pertaining to redemption, if any, of the Series 2021 C-1 Notes; (d) the rate of interest for the Series 2021 C-1 Notes; and (e) such other terms and conditions as may be necessary or related to the sale of the Series 2021 C-1 Notes, and the Authorized Commission Representatives are hereby authorized to determine the details of and execute a contract of purchase or other similar document, if any, in connection with the sale of the Series 2021 C-1 Notes (the "Purchase Contract"). The Authorized Commission Representatives are hereby authorized to award the Series 2021 C-1 Notes to the purchaser or purchasers thereof. Such award shall be evidenced by the execution of a Purchase Contract and a Series Certificate.

(b) The Purchase Contract, if any, and the Series Certificate shall determine the terms and conditions relating to the sale of the Series 2021 C-1 Notes, including the maturity date for the Series 2021 C-1 Notes, the rate of interest to be borne by the Series 2021 C-1 Notes and the Underwriter's discount, if any, that is payable to the Underwriter in connection with the sale of the Series 2021 C-1 Notes; provided, however, that without the further authorization of the Commission, the final maturity date for the Series 2021 C-1 Notes shall be not later than one year from the Date of Issue, the rate of interest (or the net interest rate in the event that the Series 2021 C-1 Notes are issued as fixed interest rate obligations) or the initial rate of interest (in the event the Series 2021 C-1 Notes bear interest at a variable rate of interest), as the case may be, to be borne by the Series 2021 C-1 Notes shall not exceed four percent (4.00%) per annum, and the Underwriter's discount for the Series 2021 C-1 Notes shall not exceed \$2.50 per \$1,000 principal amount of the Series 2021 C-1 Notes. The Purchase Contract and the Series Certificate shall contain such other terms and conditions as shall be deemed necessary in connection with the sale of the Series 2021 C-1 Notes.

(c) Any Authorized Commission Representative is also authorized to accept terms and conditions relating to the Series 2021 C-1 Notes required as a condition to the issuance thereof and to make such necessary changes in this 2021 C-1 Supplemental Note Resolution to

associated with the issuance of the 2019C-1 Notes (collectively, the "2019C-1 Note Project"); and

WHEREAS, in connection with the issuance of the Series 2019C-1 Notes, the Commission and the County desire to further amend certain provisions of the 2017-1 Leases to reflect the results of the sale of the 2019C-1 Notes;

WHEREAS, the 2019C-1 Notes matured on November 22, 2020; and

WHEREAS, at the direction of the County, the Commission will sell its \$11,665,000 of Lease Revenue Notes (Governmental Leasing Program), Series 2020C-1 (the "Series 2020 C-1 Notes") for the purpose of: (i) refunding a portion of the Commission's 2019C-1 Note at maturity; and (ii) paying costs and expenses associated with the issuance of the 2020 C-1 Bonds; and

WHEREAS, in connection with the issuance of the Series 2020 C-1 Notes, the Commission and the County further amended certain provisions of the 2017-1 Leases to reflect the results of the sale of the Series 2021 C-1 Notes; and

WHEREAS, the 2020 C-1 Notes will mature on November 11, 2021; and

WHEREAS, at the direction of the County, the Commission will sell not to exceed \$12,000,000 of Lease Revenue Notes (Governmental Leasing Program), Series 2021 C-1 (the "Series 2021 C-1 Notes") for the purpose of: (i) refunding a portion of the Commission's 2020C-1 Note at maturity; and (ii) paying costs and expenses associated with the issuance of the 2021 C-1 Notes; and

WHEREAS, in connection with the issuance of the Series 2021 C-1 Notes, the Commission and the County will further amend certain provisions of the 2017-1 Leases to reflect the results of the sale of the Series 2021 C-1 Notes; and

NOW, THEREFORE, BE IT RESOLVED BY THE BURLINGTON COUNTY BRIDGE COMMISSION AS FOLLOWS:

ARTICLE I  
DEFINITIONS AND INTERPRETATION

Section 101. **Short Title.** This supplemental resolution may hereinafter be cited by the Commission, and is hereinafter sometimes referred to, as "2021 C-1 Supplemental Note Resolution".

Section 102. **Authorization for 2021 C-1 Supplemental Note Resolution.** This 2021 C-1 Supplemental Note Resolution further supplements the Resolution, and is authorized by, and is adopted pursuant to, the provisions of the Act and Sections 1101 of the Resolution.

Section 103. **Certain Definitions.** Capitalized terms used but not specifically defined herein and in the recitals hereto shall, unless the context clearly requires otherwise, have the meanings that are ascribed to such terms in the Resolution.

ARTICLE II  
AUTHORIZATION OF SERIES 2021 C-1 Notes

Section 201. **Authorization of Series 2021 C-1 Notes.** Pursuant to and in accordance with the provisions of Section 201 of the Resolution, the Commission hereby authorizes the issuance of a series of Lease Revenue Notes, in an aggregate principal amount not to exceed \$12,000,000, in order to pay: (i) the costs of refinancing the \$11,665,000 principal amount of the Series 2020 C-1 Notes; and (ii) paying the costs of issuance relating to the Series 2021 C-1 Notes. The Series 2021 C-1 Notes shall be designated "Lease Revenue Notes (2015 Governmental Leasing Program), Series 2021 C-1."

reflect such terms and conditions as such Authorized Commission Representative deems necessary and appropriate with the advice of Bond Counsel and to set forth such provisions in the Series Certificate.

(d) The sale and award of the Series 2021 C-1 Notes by the Authorized Commission Representatives shall be evidenced by the execution of the Purchase Contract and the Series Certificate as of the date of the sale and award of the Series 2021 C-1 Notes, and the Series Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following such sale and award as evidence of the terms and details of the sale of the Series 2021 C-1 Notes.

(e) The Commission's Bond Counsel and Financial Advisor and the Underwriter are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2021 C-1 Notes. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the Series 2021 C-1 Notes, the Series 2018A Notes and the Series 2018 Bonds; provided, however, that the form and content of such revised Preliminary Official Statement shall have been previously approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission, prior to the distribution thereof.

(f) The Chairman or the Vice Chairman of the Commission is each hereby authorized to execute the final Official Statement and such officers, including the Chairman or the Vice Chairman, the Executive Director, the Secretary, the Treasurer and any other Authorized Commission Representative, shall execute any closing documents which are required to be executed in connection with the delivery of the Series 2021 C-1 Notes. Any actions which are not determined by this 2021 C-1 Supplemental Note Resolution or any other resolution of the Commission duly adopted prior to the authentication and delivery of the Series 2021 C-1 Notes shall be determined by an Authorized Commission Representative.

(g) The Chairman, Vice Chairman, Secretary and any other Authorized Commission Representative, be, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this 2018B Note Supplemental Resolution, the Leases (as further amended by the Fifth Amendments to the Leases), the Preliminary Official Statement, the Official Statement and the Purchase Contract and for the authorization, sale and issuance of the Series 2021 C-1 Notes. The execution by such Officers of any such documents with such changes, insertions or omissions as shall be approved by the Commission's Chairman or Vice Chairman in consultation with the Commission's Bond Counsel shall be conclusive evidence of the approval of such changes, insertions or omissions and no further ratification or other actions by the Commission members shall be required with respect thereto.

Section 205. **Amendments to Leases.** (a) The Fifth Amendment to Improvement Lease, substantially in the form set forth on the draft on file with the Commission's Executive Director and General Counsel, together with such changes as may be required for such amendment to be effective in the opinion of General Counsel, is hereby approved. An Authorized Commission Representative is hereby authorized to execute the same on behalf of the Commission and the Secretary is hereby directed to seal and attest this document. Upon due execution by the Commission and the County, Exhibit A and Exhibit B of the Improvement Lease Agreement are hereby deleted in their entirety and replaced by Exhibit A and Exhibit B attached to the Fifth Amendment to Improvement Lease, and all references in the Improvement Lease Agreement to Exhibit A or Exhibit B shall be referred to as Exhibit A or Exhibit B, respectively, attached to the Fifth Amendment to Improvement Lease. The Exhibits to the Fifth Amendment to the Improvement Lease shall exist and coincide with the exhibits attached to the Fourth Amendment to the Improvement Lease executed in connection with the issuance by the Commission of its Lease Revenue Bonds, Series 2020C-1.

(b) The Fifth Amendment to Equipment Lease, substantially in the form set forth on the draft on file with the Commission's Executive Director and General Counsel, together with such changes as may be required for such amendment to be effective in the opinion of General Counsel, is hereby approved. An Authorized Commission Representative is hereby authorized to execute the same on behalf of the Commission and the Secretary is hereby directed to seal and attest this document. Upon due execution by the Commission and the County, Exhibit A of the Equipment Lease Agreement is hereby deleted in its entirety and replaced by Exhibit A attached to the Fifth Amendment to Equipment Lease, and all references in the Equipment Lease Agreement to Exhibit A shall be references to Exhibit A attached to the Fifth Amendment to Equipment Lease. The Exhibits to the Fifth Amendment to the Equipment Lease shall exist and coincide with the exhibits attached to the Fourth Amendment to the Equipment Lease executed in connection with the issuance by the Commission of its Lease Revenue Bonds, Series 2020C-1.

**ARTICLE III  
MISCELLANEOUS**

**Section 301. Supplemental Resolutions: Amendment of 2021 C-1 Supplemental Note Resolution.** At any time or from time to time, a Supplemental Resolution of the Commission may be adopted for the purpose of further supplementing or amending the Resolution or amending or supplementing this 2021 C-1 Supplemental Note Resolution, in each case upon the terms and conditions set forth in Article XI of the Resolution. Notwithstanding the foregoing, the authorization of the issuance and sale of any of the Series 2021 C-1 Notes may be modified or rescinded at any time prior to the issuance or sale thereof by resolution duly adopted by the Commission.

**Section 302. Severability of Invalid Provisions.** If any one or more of the provisions, covenants or agreements in this 2021 C-1 Supplemental Note Resolution on the part of the Commission or any fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements shall be deemed separable from the remaining provisions, covenants and agreements and shall in no way affect the validity of the other provisions of this 2021 C-1 Supplemental Note Resolution or of the Series 2021 C-1 Notes.

**Section 303. Successors and Assigns.** Whenever in this 2021 C-1 Supplemental Note Resolution the Commission is named or referred to, it shall, and shall be deemed to, include its successors and assigns, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Commission contained in this 2021 C-1 Supplemental Note Resolution shall bind and inure to the benefit of such successors and assigns and of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Commission or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this 2021 C-1 Supplemental Note Resolution.

**Section 304. No Recourse on Series 2021 C-1 Notes.** No recourse shall be had for the payment of the principal or redemption price of or interest on the Series 2021 C-1 Notes or for any claim based thereon or on the Resolution or this 2021 C-1 Supplemental Note Resolution against any member, commissioner or other officer of the Commission or any person executing the Series 2021 C-1 Notes. The Series 2021 C-1 Notes are not and shall not be in any way a debt or liability of the State or of any political subdivision thereof (other than the Commission, to the limited extent set forth in the Resolution and this 2021 C-1 Supplemental Note Resolution, and the County, to the extent set forth in the Leases (as further amended by the Fifth Amendments to the Leases)), and do not and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof (other than the Commission, to the limited extent set forth in the Resolution and this 2021 C-1 Supplemental Note Resolution, and the County, to the extent set forth in the Leases (as further amended by the Fifth Amendment to the Lease Agreements)), either legal, moral or otherwise. The Commission has no taxing power.

**Section 305. Incorporation of Resolution by Reference.** All other provisions of the Resolution, as heretofore amended and supplemented, are incorporated by this reference, as if the same were set forth in full herein, and such provisions shall remain in full force and effect.

**Section 306. 2021 C-1 Supplemental Note Resolution to Constitute a Contract: Governing Law.** This 2021 C-1 Supplemental Note Resolution shall be deemed to be a contract made under the laws of the State, and for all purposes shall be construed in accordance with the laws of the State.

**Section 307. Effective Date.** In accordance with the terms of Section 1101 of the Resolution, this 2021 C-1 Supplemental Note Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy of this 2021 C-1 Supplemental Note Resolution, certified by an Authorized Commission Representative.

**RECORDED VOTE**

**AYES:**

**ABSTAIN:**

Chairman Matthew Riggins  
Vice-Chairwoman Sandra Nunes  
Commissioner John B. Comegno II

**NAYES:**

**ABSENT:**

The foregoing is a true copy of a resolution adopted by the governing body of the BURLINGTON COUNTY BRIDGE COMMISSION at a meeting thereof duly called and held on September 14, 2021.

  
Kathleen Wiseman, Secretary

**RESOLUTION NO. 2017-84**

**RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS  
OR NOTES (2015 COUNTY LEASING PROGRAM),  
SERIES 2017**

September 18, 2017

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**RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS (2015 COUNTY LEASING PROGRAM), SERIES 2017.**

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

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

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

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

**2015 2015 County Leasing Program** shall mean, collectively, the Equipment acquired and installed or to be acquired and installed on behalf of the County and the Improvements constructed and reconstructed or to be constructed and reconstructed on behalf of the County with the proceeds of the Series 2017 Bonds.

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

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

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

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

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

**Authorized Commission Representative** shall mean the Chairman, Vice Chairman, Treasurer, Executive Director or Director of Improvement Authority Operations or any other person or persons authorized to act on behalf of the Commission by a written certificate signed

on behalf of the Commission by the Chairman or Vice Chairman of the Commission containing the specimen signature of each such person.

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

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

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

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

**Basic Rent** shall mean (i) the sum of money necessary to amortize Debt Service on any Series of Bonds and allocated to the County and payable by the County on each Lease Payment Date and, with respect to the Series 2017 Bonds, shall mean the sum set forth in Exhibit A to the Equipment Lease and in Exhibit B to the Improvements Lease and as described in the respective Lease, and (ii) the sum of money required to pay the Redemption Price, if any, to the extent required to redeem the Bonds pursuant to Article IV hereof.

**Bond or Bonds** shall mean the Outstanding Bonds of the Commission issued pursuant to Section 201 hereof, including the Series 2017 Bonds and Refunding Bonds, if any.

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

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

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

**Bond Year** means, with respect to the Series 2017 Bonds, the twelve (12) month period ending on the day that is selected by the Commission. The first and last Bond Year may be short

periods. If no day is selected by the Commission before the earlier of the final maturity date of the Series 2017 Bonds or the date that is five (5) years after the date of original issuance, Bond Years end on each anniversary of the date of original issuance and on the final maturity date of the Series 2017 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Resolution pursuant to which such Series of Refunding Bonds is issued.

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

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

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

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

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

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

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

**Counsel's Opinion** means an opinion which shall be signed by an attorney or firm of attorneys of recognized standing (who may be counsel to the Commission) which shall be selected by the Commission, which opinion shall be satisfactory in form and content to the Commission and, if such opinion is required to be delivered to the Trustee, which shall be satisfactory in form and content to the Trustee.

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

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

**Debt Service** for any period shall mean, as of any date of calculation with respect to any Series of Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the Debt Service Fund, and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of any Series of Bonds, whichever is later. Such interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

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

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

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

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

**Delegation Resolution** shall mean (i) in the case of the Series 2017 Bonds, the Bond Resolution, and (ii) in the case of any Series of Refunding Bonds, any resolution of the Commission hereafter adopted pursuant to which the power to determine certain details of such Series of Refunding Bonds is delegated to an authorized officer of the Commission.

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

**Equipment or Item(s) of Equipment** shall mean the capital equipment described in Exhibit B annexed to the Equipment Lease purchased and acquired with the proceeds of the Series 2017 Bonds, including any item of capital equipment substituted or added pursuant to Section 8.1(b) of the Equipment Lease and described in Exhibit G annexed thereto.

**Equipment Lease** shall mean, with respect to the Series 2017 Bonds, that certain Lease and Agreement or Agreements, as applicable, by and between the Commission and the County for the acquisition and installation of Items of Equipment, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions hereof and the Equipment Lease.

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

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

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

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

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

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

**Improvements** shall mean the infrastructure improvements and facilities described in Exhibit A annexed to the Improvements Lease constructed and reconstructed with the proceeds of the Series 2017 Bonds.

**Improvements Lease** shall mean with respect to the Series 2017 Bonds, that certain Lease and Agreement or Agreements, as applicable, by and between the Commission and the County for the construction and reconstruction of the Improvements, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions hereof and the Improvements Lease.

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

**Interest Payment Date** shall mean, with respect to the Series 2017 Bonds, the dates that shall be established in the Series Certificate pertaining thereto, and such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a series of Bonds, if any. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Lease Payment** shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County upon demand pursuant to Section 3.1(a) and (b) of the Equipment Lease and Section 5.1(a) and (b) of the Improvements Lease, respectively.

**Lease Payment Date** shall mean, with respect to the Series 2017 Bonds, such dates as shall be established in the Leases, which dates shall not be later than the first day of the month immediately preceding each Interest Payment Date and Principal Installment Date, as applicable, and such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Bonds, if any. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

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

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

**Month** shall mean a calendar month.

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

**Notes** shall mean a Series 2017 Bond sold as a note with an annual payment of interest and a bullet maturity.

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

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

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

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

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

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

**County** shall mean the County, which executed Leases with the Commission for the purposes of acquiring the Equipment or constructing the Improvements with the proceeds of the Series 2017 Bonds, all of which are situated in the County of Burlington, New Jersey.

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

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

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

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

**Principal Installment** shall mean, as of any date of calculation, and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been

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established plus any applicable redemption premium thereon, and (ii) any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of the Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

**Principal Installment Date** shall mean any date on which Principal Installment on any Series of Bonds shall become due and payable by the Commission and, with respect to the Series 2017 Bonds, the dates set forth in the Series Certificate pertaining thereto on which any Principal Installment shall become due and payable by the Commission, or such other date as set forth in a Supplemental Resolution authorizing a Series of Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

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

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

**Project** shall have the meaning set forth in the Leases.

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

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

**Record Date** shall mean, with respect to the Series 2017 Bonds, the fifteenth (15th) day next preceding any Interest Payment Date (whether or not a Business Day) or such other dates as set forth in a Supplemental Resolution authorizing a Series of Bonds or in the Series Certificate relating thereto.

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

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

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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 Commission which shall be kept and maintained on behalf of the Commission at the principal corporate trust office of the Bond Registrar.

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

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

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

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

**Series 2017 Bonds** shall mean the Lease Revenue Bonds (2015 County Leasing Program), Series 2017 or Notes authenticated and delivered upon original issuance pursuant to Section 203 hereof.

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

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

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

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

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

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

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

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

**Trustee** shall mean with respect to the Series 2017 Bonds and any Series of Bonds issued hereunder, TD Bank, National Association, and its successors and assigns and any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Bond Resolution or appointed Trustee pursuant to a Supplemental Resolution.

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

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

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

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## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

**Section 201. Authorization of Bonds.** 1. The Commission does hereby determine to acquire, construct and install or cause to be acquired, constructed and installed the 2015 2015 County Leasing Program pursuant to and in accordance with the Act.

2. In accordance with the Act and pursuant to the provisions of this Bond Resolution, there is hereby authorized to be issued to acquire, construct or install or cause to be acquired, constructed or installed the 2015 2015 County Leasing Program, Bonds of the Commission to be designated as "Lease Revenue Bonds (2015 County Leasing Program), Series 2017". The Bonds shall be direct and special obligations of the Commission payable solely from and secured by the Pledged Property. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Bond Resolution is limited to the Bonds authorized pursuant to Section 203 hereof and Refunding Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. The Bonds may, if and when authorized by the Commission pursuant to this Bond Resolution and one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "Lease Revenue Bonds (2015 County Leasing Program), Series 2017", shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Commission shall determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

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

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

(a) An opinion of Bond Counsel (dated the date the Bonds of such Series are initially issued) to the effect that, (i) the Commission has the right and the power under the Act, as amended to the date of such opinion, to adopt this Bond Resolution; this Bond Resolution has been duly and lawfully adopted by the Commission, is in full force and effect, is valid and binding upon the Commission and is enforceable in accordance with its terms and no other authorization for the adoption of this Bond Resolution is required; (ii) this Bond Resolution creates the valid pledge that it purports to create of the Pledged Property; and (iii) the Bonds of such Series are valid, binding, direct and special obligations of the Commission as provided in

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this Bond Resolution, enforceable in accordance with their terms and the terms of this Bond Resolution and entitled to the benefits of this Bond Resolution and of the Act as amended to the date of such opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such opinion and in accordance with this Bond Resolution; provided, that opinions as to enforceability may be limited as to bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy;

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

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

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

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

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

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

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

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

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

(k) In the case of the Series 2017 Bonds and in the case of any Supplemental Resolution which delegates to an Authorized Commission Representative the power to specify the information set forth in subparagraph (g) above, a certificate of such Authorized Commission Representative dated the date of delivery of the Bonds upon original issuance which specifies and sets forth such information (the "Series Certificate"); and

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

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

**Section 203. The Series 2017 Bonds.** 1. (a) Pursuant to the provisions of this Bond Resolution, a Series of Bonds entitled to the benefit, protection and security of the provisions hereof is hereby authorized to be issued in an aggregate principal amount not to exceed \$45,430,737.00. Such Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title, "Lease Revenue Bonds (2015 County Leasing Program), Series 2017".

(b) The Series 2017 Bonds shall be issued to (i) finance the Costs of the 2015 2015 County Leasing Program for the County, (ii) make the required deposit of interest accrued

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on the Series 2017 Bonds, if any, into the Debt Service Fund, and (iii) pay costs and expenses incurred by the Commission and the County in connection with the issuance and delivery of the Series 2017 Bonds.

(c) The Series 2017 Bonds shall be issued in fully registered form in Authorized Denominations. Unless the Commission shall otherwise direct the Bond Registrar, 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, and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401, 1402 and 1403, respectively, hereof.

(d) The proceeds of the Series 2017 Bonds, including accrued interest, shall be paid to the Trustee and applied in accordance with an order of the Commission simultaneously with the delivery thereof as follows:

(1) an amount equal to the interest accrued on the Series 2017 Bonds from their dated date to the date of their delivery to the initial purchasers thereof, if any, shall be deposited in the applicable County Account within the Debt Service Fund; and

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

(3) the balance of the proceeds of the Series 2017 Bonds shall be deposited in the County Account in the Project Fund, which fund is created and established pursuant to Section 502 hereof.

2. The Series 2017 Bonds shall be dated, and shall bear interest from the dated date thereof (as shall be established in the Series Certificate), except as otherwise provided in Section 301 hereof. The Series 2017 Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable on the Interest Payment Dates at the respective rates per annum, set forth in the Series Certificate relating thereto; provided that (i) the aggregate principal amount of the Series 2017 Bonds shall not exceed \$45,430,737 (inclusive of original issue discount), (ii) the final maturity date shall not be later than December 31, 2042, (iii) the true interest cost of the Series 2017 Bonds shall not exceed six and twenty-five one hundredths percent (6.25%), (iv) the underwriter's discount for the Series 2017 Bonds shall not exceed \$6 per \$1,000 principal amount thereof (exclusive of counsel fees and expenses) and (v) the Redemption Price of any Series 2017 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2017 Bonds or a portion thereof to be redeemed, plus accrued interest to the date of redemption. The amount and due date of each Sinking Fund Installment, if any, for the Series 2017 Bonds shall be as set forth in the Series Certificate awarding such Series 2017 Bonds to the initial purchasers thereof.

3. The principal or Redemption Price, if applicable, of the Series 2017 Bonds (other than book entry) shall be payable, upon presentation and surrender thereof, at the principal

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corporate trust office of TD Bank, National Association, as Paying Agent for the Series 2017 Bonds. The principal or Redemption Price, as applicable, of all Series 2017 Bonds shall also be payable on any Principal Installment Date at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Bond Resolution. Interest on the Series 2017 Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, on each Interest Payment Date, to the Registered Owners thereof as the same appear as of the Record Date on the books of the Commission maintained by the Trustee; provided, however, that a Registered Owner of \$1,000,000 or more in principal amount of Series 2017 Bonds shall be entitled, upon five (5) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds.

4. The Series 2017 Bonds shall be subject to redemption prior to their respective maturity dates as set forth in the Series Certificate in accordance with Article IV hereof.

5. Any Authorized Commission Representative is hereby authorized to determine the time and manner of sale of the Series 2017 Bonds, and to determine the details of and execute a contract of purchase or similar document (the "Purchase Contract") in connection with the sale of the Series 2017 Bonds. Any Authorized Commission Representative is hereby authorized to award the Series 2017 Bonds to the purchaser or purchasers thereof, such award to be evidenced by the execution of the Series Certificate described in paragraph 2 above. The Purchase Contract and the Series Certificate shall determine the terms and conditions relating to the sale of the Series 2017 Bonds, within the limitations set forth in paragraph 2 above, and may contain such other terms and conditions as shall be deemed necessary in connection with the sale of the Series 2017 Bonds. The Series Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following such sale and award as evidence of the terms and details of the sale of such Series 2017 Bonds.

6. The Financial Advisor to the Commission, the Commission's Bond Counsel and the Commission's investment bankers are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2017 Bonds. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the Series 2017 Bonds; provided, however, that the form and content of such revised Preliminary Official Statement shall have been previously approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission, prior to the distribution thereof.

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

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other resolution of the Commission duly adopted prior to the authentication and delivery of the Series 2017 Bonds shall be determined by an Authorized Commission Representative.

8. Any Authorized Commission Representative is hereby authorized to execute a commitment for bond insurance for the Series 2017 Bonds with a bond insurance company, provided that the Financial Advisor determines that the premium for the bond insurance will result in positive economic benefit.

9. Prior to delivery of any of the Series 2017 Bonds upon original issuance and notwithstanding anything to the contrary, any Authorized Commission Representative may, by execution of the Series Certificate evidencing same, modify or amend any of the terms or provisions of the Bond Resolution in any respect or for any purpose without any further action by the members of the Commission; provided, however, that such modifications or amendments shall be approved by the Commission's Chairman or Vice Chairman in consultation with the Commission's Bond Counsel.

10. The Chairman, Vice Chairman, Secretary, Executive Director and any other Authorized Commission Representative, be, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Bond Resolution, the Leases, the Preliminary Official Statement, the Official Statement and the Purchase Contract and for the authorization, sale and issuance of the Series 2017 Bonds. The execution by such officers of any such documents with such changes, insertions or omissions as shall be approved by the Commission's Chairman or Vice Chairman in consultation with the Commission's Bond Counsel shall be conclusive evidence of the approval of such changes, insertions or omissions and no further ratification or other actions by the Commission members shall be required with respect thereto.

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

(a) Except as provided in subparagraph (c) of this Section 204 and Section 203(1)(c) hereof, the registered Holder of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. ("Cede") as nominee of DTC. With respect to all Bonds for which Cede shall be the registered Holder, payment of semiannual interest on such Bonds shall be made by wire transfer of New York Clearing House or equivalent next day funds to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Commission kept by the Bond Registrar.

(b) The Bonds shall be initially issued in the form of a separate fully registered bond in the amount of each separate serial or term maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books of the Commission kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Bonds so registered in the name of Cede, the Commission and the Trustee shall have no responsibility or obligation to any DTC County, indirect DTC County, or any beneficial owner of such Bonds. Without limiting the immediately preceding sentence, the Commission and the Trustee shall

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of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Bond Resolution. Upon the determination by any party authorized herein that such Bonds (or any portion thereof) shall no longer be limited to book entry form, the Commission shall immediately advise the Trustee in writing of the procedures for transfer of such Bonds from such book-entry form to a fully registered form.

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

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

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

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

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

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

C. Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of those Bonds, if any, to be redeemed or the principal amount of those Bonds, if any, to be paid at maturity, together with accrued interest on such Bonds to the redemption or maturity date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocable in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Investment Securities in such principal amounts, of

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have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC County or indirect DTC County with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any DTC County, indirect DTC County, beneficial owner or any other person, other than DTC or Cede, of any notice with respect to such Bonds, or (iii) the payment to any DTC County, indirect DTC County, beneficial owner or any other person, other than DTC or Cede, of any amount with respect to the principal of, redemption premium, if any, or interest on such Bonds. The Commission and the Trustee may treat as, and deem DTC to be, the absolute registered Holder of each such Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such Bond, (ii) giving notices with respect to such Bonds, (iii) registering transfers with respect to the Bonds, and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on such Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to such principal, redemption premium, if any, and interest to the extent of the sum or sums so paid. No person other than DTC shall receive a Bond certificate evidencing the obligation of the Commission to make payments of principal thereof, redemption premium, if any, and interest thereon pursuant to this Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Bond Resolution shall refer to such new nominee of DTC.

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

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

(3) Upon the termination of the services of DTC with respect to all or any portion of such Bonds pursuant to Section 204(c)(2)(i) or 204(c)(2)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to all or any portion of such Bonds pursuant to Section 204(c)(1) or Section 204(c)(2)(ii)(B) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Commission, is willing and able to undertake such functions upon reasonable and customary terms, such Bonds (or the applicable portion thereof) shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee

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such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of subsection 2 of Section 1301 hereof, and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 and including a verification report to the same effect; and

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

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

### ARTICLE III

#### GENERAL TERMS AND PROVISIONS OF BONDS

**Section 301. Obligation of Bonds; Medium of Payment; Form and Date; Letters and Numbers.** 1. The Bonds shall be direct and special obligations of the Commission payable, with respect to principal or Redemption Price and interest, solely from the Pledged Property, which under the Act and this Bond Resolution may be used for the payment of principal or Redemption Price of and interest on the Bonds of the Commission.

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

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

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

5. Bonds upon original issuance shall be dated as provided in this Bond Resolution. Refunding Bonds shall be dated as provided in a Supplemental Resolution. Principal of the Bonds shall be payable at maturity upon presentation and surrender thereof at the office of the Paying Agent. Bonds shall bear interest as provided herein, payable by check or bank draft, except as provided in Section 204 hereof, to registered owners of such Bonds as of the Record Date provided for such Bonds at their addresses on file with the Trustee who has been designated the Bond Registrar hereunder. After original issue, all Bonds exchanged or transferred shall bear

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an authentication date that shall be the date authenticated. Interest on Bonds shall accrue from the Interest Payment Date to which interest has been paid next preceding the authentication date unless (1) the date of authentication is also an Interest Payment Date to which interest has been paid, in which event such Bonds shall be dated and shall bear interest from the date of authentication, or (2) the date of authentication is prior to the first Interest Payment Date, in which event such Bonds shall bear interest from the original dated date of such Bonds; provided however that if, as shown on the records of the Trustee, interest on the Bonds of any Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

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

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

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

**Section 305. Transfer, Exchange and Registry of Bonds and Agency Therefor.** 1. The Commission shall cause and hereby appoints the Bond Registrar as its agent to maintain and to keep books for the registration, the exchange and the transfer of Bonds. Upon presentation of Bonds for transfer or exchange at the designated office of the Bond Registrar, together with (i) a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Holder or

by his attorney duly authorized in writing, and (ii) a certificate of an Authorized Commission Representative approving such transfer, the Bond Registrar shall register or shall cause to be registered and shall permit to be transferred thereon or to be exchanged any Bond entitled to registration, transfer or exchange. Upon the transfer or exchange of any Bond, the Commission shall execute, and the Trustee or the Bond Registrar shall authenticate and shall deliver a new Bond or Bonds in any Authorized Denomination registered in the name of the Holder or transferee of the same aggregate principal amount, designation and maturity as the surrendered Bond.

2. The Commission and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Commission as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price of and interest on such Bond and all such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Commission nor any Fiduciary shall be affected by any notice to the contrary. The Commission agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without gross negligence or willful misconduct under this Bond Resolution, in so treating such Registered Owner.

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

**Section 306. Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds.** In case any Outstanding Bond shall be mutilated, destroyed, stolen or lost, the Commission shall execute and the Trustee or the Bond Registrar, as the case may be, shall authenticate and shall deliver a new Bond, of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost in exchange and in substitution for and upon surrender of such mutilated Bond or in lieu of and in substitution for the Bond if any, destroyed, stolen or lost upon filing with the Trustee and the Bond Registrar evidence satisfactory to the Commission, the Trustee and the Bond Registrar that such Bond had been destroyed, stolen or lost and proof of ownership thereof, upon furnishing the Commission, the Trustee and the Bond Registrar with indemnity satisfactory to them, upon paying such expenses as the Commission, the Trustee and the Bond Registrar may incur in connection therewith and upon complying with such other reasonable regulations as the Commission, the Trustee and the Bond Registrar may prescribe. In lieu of reissuing a mutilated, destroyed, lost or stolen Bond that is due and payable, the Trustee and the Bond Registrar may

pay the amount due on such Bond to the owner or the Holder thereof, provided all the other requirements of this Section have been met. Any Bond surrendered for transfer shall be canceled by the Trustee. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Commission, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Bond Resolution, in any moneys or securities held by the Commission or any Fiduciary for the benefit of the Bondholders.

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

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

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

promptly notify the Commission of such Special Record Date and Default Interest Payment Date and, in the name and at the expense of the Commission, shall cause notice of the proposed payment of such Default Interest and the Special Record Date and Default Interest Payment Date therefor to be mailed, first class postage prepaid, to each Bondholder at his address as it appears in the Bond register, not less than ten (10) days prior to such Special Record Date.

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

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

ARTICLE IV  
REDEMPTION OF BONDS

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

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

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

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

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in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Bond to be redeemed in part.

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

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

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

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

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

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

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

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

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

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- (6) Rebate Fund, to be held by the Trustee on behalf of the Commission.

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

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

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

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

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requisition or shall, by interbank transfer or other method, arrange to make the payment required by such requisition.

(b) In the event the Cost of an Item of Equipment purchased by a County exceeds the amount thereof specified in Exhibit B or Exhibit G, as applicable, to the Equipment Lease, the Trustee shall make payments from the County Account with respect to the Equipment Lease in the Project Fund for the Cost thereof in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subparagraph. Before any such payment shall be made, there shall be filed with the Trustee and the Commission: (i) a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit E to the Equipment Lease or, in the case of advance, progress or partial payments, Exhibit D to the Equipment Lease, signed by an Authorized County Representative and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), certifying in respect of each payment to be made (A) the requisition number, (B) the name and address of the person, firm or corporation to whom payment is due or has been made, (C) the amount to be paid, (D) the Item(s) of Equipment to which the requisition relates, (E) the amount originally specified in Exhibit B or Exhibit G, as applicable, to the Equipment Lease as the Cost of the Item(s) of Equipment, (F) the amount of money the County has forwarded to the Trustee on behalf of the Commission for deposit in the County's County Account with respect to the Equipment Lease in the Project Fund to fund the balance of the Cost of the Item of Equipment, (G) the check and a copy thereof evidencing such payment referred to in clause (F) above, and (H) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost and is a proper charge against the County Account in the Project Fund and has not been the basis of any previous withdrawal; (ii) a bank or certified check payable to the County Account in the Project Fund in the amount necessary to fund the balance of such Cost; and (iii) either (A) an Acceptance Certificate described in subparagraph (c) hereof in the case of payment in full of the Cost of any Item of Equipment against delivery thereof in the case of payment in full of the Cost of any Item of Equipment against delivery thereof, or (B) in the case of an advance, progress or partial payment made pursuant to Section 2.5(g) of the Equipment Lease, a performance bond satisfying the requirements of Section 5.8 of the Equipment Lease. Any such moneys deposited by the County pursuant to the provisions hereof shall not constitute Revenues or Pledged Property pledged for the security of the repayment of the Bonds. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method, arrange to make the payment required by such requisition.

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

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

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

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

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(d) Subject to the provisions of subparagraph (e) below, if subsequent to the filing of such Acceptance Certificate, it shall be determined by an Authorized County Representative and an Authorized Commission Representative that the amount of the portion of the Bond proceeds allocable to the Equipment specified in such Certificate as being required for the payment of any remaining part of the Cost are no longer so required, such fact shall be evidenced by a certificate or certificates of an Authorized County Representative and an Authorized Commission Representative, which Certificate shall be filed with the Commission and the Trustee certifying such fact and certifying that any amount shown therein is no longer required to purchase such Item of Equipment, such amount shall be transferred by the Trustee in accordance with the directions of the County and Commission for deposit in the County's County Account in the Debt Service Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(2).

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

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

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

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about the construction of the applicable Project or that such materials, supplies or equipment were fabricated for the construction thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Section 507. Proceeds Fund - County Account(s).** 1. There shall be established a County Account for the County in the Proceeds Fund. Upon an election by the County or, as applicable, the Commission, to pursue Option B under Section 5.4(b) of the Equipment Lease or under Section 6.5(b) or 6.6(b) of the Improvements Lease, there shall be deposited in the County Account in the Proceeds Fund any Proceeds received with respect to an Item of Equipment or a Project, as applicable, as set forth in a certificate of an Authorized Commission Representative. Proceeds from any performance bond provided pursuant to Section 5.8 of the Equipment Lease or Section 4.4 of the Improvements Lease, as applicable, shall also be deposited in the County Account in the Proceeds Fund as set forth in a certificate of an Authorized Commission Representative. Proceeds on deposit in the County Account in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Basic Rent owed by the County on each Lease Payment Date for the payment of the Debt Service on the Bonds allocated to such County by the transfer of such Proceeds to the County Account in the Debt Service Fund as set forth in a certificate of an Authorized Commission Representative filed with

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the Trustee and the Commission at the time of the deposit of the Proceeds into the County Account in the Proceeds Fund.

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

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

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

5. (a) All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned on any moneys or investments in the Project Fund, Debt Service Fund and Proceeds Fund and in any County Accounts established within such Funds which shall be allocated and paid to the County by the Trustee in accordance with Section 603(2) of this Bond Resolution, shall be transferred to the County Account in the Proceeds Fund and held therein by the Trustee and applied in accordance with the provisions hereof.

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

(c) Notwithstanding the provisions of this paragraph 5, the amount derived from such investment earnings (and any interest thereon) in all the County Accounts in the

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Proceeds Fund shall be Yield restricted in accordance with written investment instructions of the Commission delivered to the Trustee.

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

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

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

2. On each Interest Payment Date, the Trustee shall make available to the Paying Agent from moneys available in the Debt Service Fund an amount which equals the interest on such Series of Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such interest on the Interest Payment Date, and on the Principal Installment Date of any Series of Bonds, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal of such Series of Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal on the

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Principal Installment Date. The Trustee may also pay out of the Debt Service Fund the accrued interest included in the purchase price of such Series of Bonds, pursuant to the provisions of paragraph 4 below.

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

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

6. In the event of the refunding of any Bonds, the Trustee shall, if an Authorized Commission Representative so directs in writing, withdraw from the County Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts in such Fund or Account established under this Bond Resolution as set forth in such written direction; provided that in no event may the Authorized Commission Representative direct such withdrawal unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to paragraph 2 of Section 1301, and (ii) the amount remaining in the Debt Service Fund, after

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the requirements of the Code, and hereby indemnifies and holds harmless the Trustee from any liability arising out of the nonperformance by the Commission of such requirements under the Code.

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giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to paragraph 1 of this Section 508. In the event of such refunding, an Authorized Commission Representative may also direct the Trustee in writing to withdraw from the Debt Service Fund all; provided, however, that in no event may the Authorized Commission Representative direct any such withdrawal unless items (i) and (ii) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account mandated by and held under this Bond Resolution.

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

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

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

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

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

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

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## ARTICLE VI

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

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

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

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

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

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

**Section 603. Investment of Certain Funds.** 1. Moneys held in the Revenue Fund or the Debt Service Fund, including the County Accounts established therein, shall be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities, which Investment Securities shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Project Fund, the Operating Fund and the Proceeds Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Rebate Fund, if any, shall be invested and reinvested in accordance with the written instructions received from any Authorized Commission Representative. The Trustee shall make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Commission Representative. In making any investment in any Investment Securities with moneys in any Fund established under this Bond Resolution, the Commission may instruct the Trustee or any Fiduciary in writing to combine such moneys in any other Fund, permitted hereunder, but solely for purposes of making such investment in such Investment Securities.

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

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

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

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

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

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

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

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

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

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## ARTICLE VII LEASES WITH COUNTY

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

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

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

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

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

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

(iv) evidence satisfactory to Bond Counsel to the Commission that the Basic Rent and Additional Rent payments under the Leases, assuming the Basic Rent and Additional Rent attributable to the Leases are timely paid by the County, are sufficient to pay Debt Service on each Series of Bonds, Commission Administrative Expenses and all costs of the 2015 2015 County Leasing Program, respectively; and

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

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

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

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

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

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

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

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

## ARTICLE VIII

### PARTICULAR COVENANTS OF THE COMMISSION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Section 812. Acquisition, Construction and Installation of Equipment and Improvements and its Operation and Maintenance.** 1. The Commission shall acquire, construct and install or cause to be acquired, constructed and installed each Item of Equipment and the Improvements with due diligence and in a sound and economical manner.

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

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

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

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

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

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

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

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

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

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

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

**Section 818. Tax Covenant.** 1. The Commission covenants to maintain the exclusion from gross income for Federal income tax purposes of interest on the Bonds which are issued as Tax Exempt Obligations, to the extent that Bond Counsel has rendered an opinion to the effect

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

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

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

## ARTICLE IX

### REMEDIES OF BONDHOLDERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

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

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extend to or affect any subsequent default under this Bond Resolution or impair any right consequent thereon.

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

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

3. The Holders of fifty-one percent (51%) in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

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

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

**Section 905. Restrictions on Bondholder's Action.** 1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement

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

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

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

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

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

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

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

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ARTICLE X  
CONCERNING THE FIDUCIARIES

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

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

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

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

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

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

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

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of paragraph 2 of this Section 1003, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own gross negligence or willful misconduct.

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

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

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

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

**Section 1005. Compensation.** The Commission shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under this Bond Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including without limitation those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Bond Resolution, in accordance with the agreements made from time to time between the Commission and the Fiduciary, and subject to the rights of Bondholders hereunder, the Trustee and each Paying Agent shall have a lien thereon on any and all funds at any time held by it under this Bond Resolution. Subject to the provisions of Section 1003 hereof, the Commission further agrees to indemnify and save each Fiduciary and the

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directors, officers, employees and agents of each Fiduciary harmless against any losses, liabilities, expenses and fees which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to such Fiduciary's gross negligence or willful misconduct. The provisions of this Section shall survive the payment of the Bonds pursuant to Section 1301 hereof.

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

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

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

**Section 1009. Appointment of Successor Trustee.** 1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Commission by a duly executed written instrument signed by an Authorized Commission Representative, but if the Commission does not appoint a successor Trustee within sixty (60) days, then by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Commission, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and

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delivered to such successor Trustee, notification thereof being given to the Commission and the predecessor Trustee. After such appointment of a successor Trustee, the Commission shall mail notice of any such appointment by it or by the Bondholders to the registered owners of the Bonds then Outstanding and to Moody's, Standard & Poor's and Fitch if the Bonds are then rated by such rating agency or agencies.

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

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

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

**Section 1011. Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United

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States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Bond Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

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

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

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

SUPPLEMENTAL RESOLUTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XII

AMENDMENTS

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

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

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

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

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

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

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

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

ARTICLE XIII

MISCELLANEOUS

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

2. Principal and/or interest installments for the payment or redemption of which moneys or Investment Securities shall have been set aside and shall be held in trust by the Trustee or Paying Agents (through deposit by the Commission of funds for such payment or redemption or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph 1 of this Section. Subject to the provisions of paragraph 3 through paragraph 5 of this Section, any Outstanding Bonds shall, prior to the maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph 1 of this Section if (a) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient in either case, as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trust and to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be and (b) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Commission shall have given the Trustee, in form satisfactory to it, instructions to mail as provided in Article IV hereof a notice to the Holders of such Bonds that



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

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

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

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

3. Investment Securities described in clause (z) of paragraph 2 of this Section 1301 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (a) of paragraph 2 of this Section 1301 only if the determination as to whether the moneys and Investment Securities to be deposited with the Trustee in order to satisfy

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

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

5. In the event that after compliance with the provisions of paragraph 4 of this Section 1301 the Investment Securities described in clause (z) of paragraph 2 of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (a) of paragraph 2 of this Section 1301, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Commission, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Commission be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1301 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of paragraph 2 of this Section 1301 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Securities on deposit with the Trustee including any Investment Securities or redemption proceeds in accordance with paragraph 5 of this Section 1301 pursuant to clause (a) of paragraph 2 of this Section 1301 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with paragraph 2 of this Section 1301 which have not as yet been paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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#### ARTICLE XIV

#### BOND FORMS AND EFFECTIVE DATE

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

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

LEASE REVENUE [BOND][NOTE]  
(2015 COUNTY LEASING PROGRAM), SERIES 2017

INTEREST RATE PER ANNUM	DATED DATE	MATURITY DATE	DATE OF AUTHENTICATION	CUSIP NUMBER
_____ %	_____ 20__	1, _____ 1, 20__	_____ 20__	_____

REGISTERED OWNER:

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

THE BURLINGTON COUNTY BRIDGE COMMISSION (hereinafter called the "Commission"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to the REGISTERED OWNER stated above, or registered assigns, the PRINCIPAL SUM stated above, on the MATURITY DATE stated above or on the date fixed for redemption, as the case may be, together with interest on such PRINCIPAL SUM from the date of this Bond (as hereinafter defined) until the Commission's obligation with respect to the payment of such PRINCIPAL SUM shall be discharged, at the INTEREST RATE PER ANNUM [stated above on \_\_\_\_\_, 2017, and semiannually thereafter on the first days of \_\_\_\_\_ and \_\_\_\_\_]. [stated above on \_\_\_\_\_, 2018 if issued as a Note.] This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of TD Bank, National Association. Interest on this Bond will be payable by check or draft which will be mailed or shall be by wire transfer to the Registered Owner hereof whose name shall appear on the registration books of the Commission which shall be kept and maintained by the Bond Registrar hereinafter mentioned, as determined on the fifteenth day of \_\_\_\_\_ and \_\_\_\_\_ (whether or not a Business Day) (the "Record Date"); provided however, that a Registered Owner of \$1,000,000 or more in principal amount of Bonds shall be entitled, upon five (5) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds. Payment of the principal of and interest on this Bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the duly authorized issue of revenue bonds, each designated as "Lease Revenue Bonds (2015 County Leasing Program), Series 2017" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount of \$ \_\_\_\_\_ and authorized and issued under and pursuant to the Self-Liquidating Bridges Act, P.L. 1934, c.17, as amended, and

under and in accordance with a resolution of the Commission duly adopted March 10, 2015 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds (2015 County Leasing Program), Series 2017" (the "Resolution") and the Series Certificate (as defined in the Resolution). Copies of the Resolution are on file in the office of the Commission in Palmyra, New Jersey and at the principal corporate trust office of TD Bank, National Association (the "Trustee"), as trustee under the Resolution.

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

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

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

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

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

If less than all of the Bonds of like maturity Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Bond Resolution.

Notice of each optional or mandatory redemption of the Bonds shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the Registered Owner hereof, in accordance with the provisions of the Bond Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date therein designated, and if, on the redemption date,

moneys for payment of the Redemption Price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption. So long as this Bond is registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., notice of redemption shall be mailed by the Trustee to DTC or its nominee, and the Trustee shall not be required to mail notices of redemption to any other person or entity.

Pursuant to the Bond Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the Bond Resolution. All bonds issued and to be issued under the Bond Resolution, including Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the Bond Resolution except as otherwise provided in or pursuant to the Bond Resolution.

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

This Bond is transferable, as provided in the Bond Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, National Association (the "Bond Registrar"), as registrar under the Bond Resolution, or its successor as Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Commission shall issue in the name of the transferee a new registered Bond or Bonds, of the same aggregate principal amount and series designation, maturity and interest rate as the surrendered Bond as provided in the Bond Resolution, upon payment of the charges therein prescribed. The Commission, the Trustee, the Bond Registrar and any Paying Agent of the Commission may treat and consider the person in whose name this Bond is registered as the Holder and absolute owner of this Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes whatsoever.

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

THE BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY SUBDIVISION THEREOF OTHER

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

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

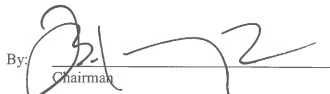
This Bond shall not be entitled to any security or benefit under the terms of the Bond Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been manually executed by the Trustee upon original issuance and thereafter by the Bond Registrar.

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

THE BURLINGTON COUNTY  
BRIDGE COMMISSION

ATTEST:

  
Secretary

By:   
Chairman

[SEAL]

ASSIGNMENT

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

(PLEASE PRINT OR TYPE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NO. OF ASSIGNEE) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, as Attorney, to transfer the within Bond on the registration books of the Burlington County Bridge Commission with full power of substitution and revocation.

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

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

SIGNATURE GUARANTY:

By: \_\_\_\_\_

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

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

CERTIFICATE OF AUTHENTICATION

This bond is one of the issue of Lease Revenue Bonds (2015 County Leasing Program), Series 2017 of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond Resolution.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

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

**EXHIBIT A**  
**FORM OF EQUIPMENT LEASE**

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**EXHIBIT B**  
**FORM OF IMPROVEMENTS LEASE**

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**APPENDIX D**  
**COPY OF THE 2017-2 BOND RESOLUTION**

RESOLUTION NO. 2021-61

SUPPLEMENTAL RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION AUTHORIZING THE ISSUANCE OF LEASE REVENUE NOTES, SERIES 2021 C-2 AND SUPPLEMENTING THE COMMISSION'S RESOLUTION ENTITLED "RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OR NOTES (2017 GOVERNMENTAL LEASING PROGRAM), SERIES 2017, DULY ADOPTED ON SEPTEMBER 18, 2017

BACKGROUND

WHEREAS, the Burlington County Bridge Commission (the "Commission") was created by a resolution adopted by the Board of Chosen Freeholders of the County of Burlington, New Jersey (the "County") pursuant to Self-Liquidating Bridges Act of the State of New Jersey, constituting Article 2 of Chapter 17 of the Pamphlet Laws of 1934, as amended and supplemented (the "Act"); and

WHEREAS, the Commission has the authority to issue notes pursuant to Resolution 2017-85 of the Commission entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds or Notes (2017 Governmental Leasing Program) Series 2017", adopted September 18, 2017, as the same may be further amended and supplemented (collectively, the "2017-2 Bond Resolution"); and

WHEREAS, the 2017-2 Bond Resolution authorized the Commission to issue not-to-exceed \$84,013,100 in Lease Revenue Bonds or Notes for the purpose of temporarily financing a portion of the costs the County's 2017 Capital Budget consisting of the construction of various infrastructure improvements (collectively, the "Improvements") and acquisition and installation of various items of capital equipment (collectively, the "Equipment") and together with the Improvements, the "2017 Capital Program"); and

WHEREAS, on December 13, 2017, the Commission issued its \$8,000,000 Lease Revenue Notes, Series 2017C-2, maturing on December 12, 2018 (as described further below, the "Series 2017C-2 Notes") for the purpose of (i) financing \$8,000,000 in costs of construction of the Improvements and acquisition and installation of items of Equipment (the "2017C-2 Capital Program") and (ii) paying the costs and expenses associated with the issuance of the Series 2017C-2 Notes (the "2017C-2 Project"), and to secure the Series 2017C-2 Notes, the Commission and the County will execute (x) an Improvement Lease and Agreement, to be dated December 13, 2017 (the "2017-2 Improvement Lease and Agreement") and (y) an Equipment Lease and Agreement, to be dated December 13, 2017 (the "2017-2 Equipment Lease") (the "2017-2 Improvement Lease and the 2017-2 Equipment Lease are hereinafter collectively referred to as the "2017-2 Leases"); and

WHEREAS, the Series 2017C-2 Notes matured on December 12, 2018; and

WHEREAS, at the direction of the County, the Commission sold its \$18,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2018C-2 (the "Series 2018C-2 Notes") to refinance the maturing principal of the Series 2017C-2 Notes and fund an additional \$10,000,000 in capital projects set forth in the 2017C-2 Capital Program; and

WHEREAS, in connection with the issuance of the Series 2018C-2 Notes, the Commission and the County amended certain provisions of the 2017-2 Leases to reflect the results of the sale of the 2018C-2 Notes; and

WHEREAS, the 2018C-2 Note matured on November 26, 2019; and

WHEREAS, at the direction of the County, the Commission sold its \$55,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2019C-2 (the "Series

2019C-2 Notes") for the purpose of: (i) refunding in full the Commission's 2018C-2 at maturity; (ii) temporarily financing \$37,000,000 of additional costs associated with the 2017 County Capital Program Improvements and Equipment; and (iii) paying costs and expenses associated with the issuance of the 2019C-2 Notes; and

WHEREAS, in connection with the issuance of the Series 2019C-2 Notes, the Commission and the County further amended certain provisions of the 2017-2 Leases to reflect the results of the sale of the 2019C-2 Notes; and

WHEREAS, the 2019C-2 Notes matured on November 22, 2020; and

WHEREAS, at the direction of the County, the Commission sold the Commission's \$45,340,000 Series 2020 C-2 Notes (the "Series 2020 C-2 Notes") for the purpose of: (i) refunding a portion of the Commission's 2019C-2 Note at maturity; (ii) funding an additional \$7,000,000 in additional capital improvements and equipment (the 2021 C-2 Capital Plan) and (iii) paying costs and expenses associated with the issuance of the 2021 C-2 Bonds; and

WHEREAS, in connection with the issuance of the Series 2020 C-2 Notes, the Commission and the County further amended certain provisions of the 2017-2 Leases to reflect the results of the sale of the Series 2021 C-2 Notes; and

WHEREAS, the 2020 C-2 Notes will mature on November 11, 2021; and

WHEREAS, at the direction of the County, the Commission will sell not to exceed \$46,100,000 of Lease Revenue Notes (Governmental Leasing Program), Series 2021 C-2 (the "Series 2021 C-2 Notes") for the purpose of: (i) refunding the Commission's 2020 C-2 Note at maturity; and (ii) paying costs and expenses associated with the issuance of the 2021 C-2 Notes; and

WHEREAS, in connection with the issuance of the Series 2021 C-2 Notes, the Commission and the County will further amend certain provisions of the 2017-2 Leases to reflect the results of the sale of the Series 2021 C-2 Notes; and

NOW, THEREFORE, BE IT RESOLVED BY THE BURLINGTON COUNTY BRIDGE COMMISSION AS FOLLOWS:

ARTICLE I  
DEFINITIONS AND INTERPRETATION

Section 101. **Short Title.** This supplemental resolution may hereinafter be cited by the Commission, and is hereinafter sometimes referred to, as "2021 C-2 Supplemental Note Resolution".

Section 102. **Authorization for 2021 C-2 Supplemental Note Resolution.** This 2021 C-2 Supplemental Note Resolution further supplements the Resolution, and is authorized by, and is adopted pursuant to, the provisions of the Act and Sections 1101 of the Resolution.

Section 103. **Certain Definitions.** Capitalized terms used but not specifically defined herein and in the recitals hereto shall, unless the context clearly requires otherwise, have the meanings that are ascribed to such terms in the Resolution.

ARTICLE II  
AUTHORIZATION OF SERIES 2021 C-2 NOTES

Section 201. **Authorization of Series 2021 C-2 Notes.** Pursuant to and in accordance with the provisions of Section 201 of the Resolution, the Commission hereby authorizes the issuance of a series of Lease Revenue Notes, in an aggregate principal amount not-to-exceed \$46,100,000, in order to pay: (i) the costs of refinancing a portion of the Series 2021 C-2 Notes; and (ii) paying the costs of issuance relating to the Series 2010 C-2 Notes. The Series 2021 C-2 Notes shall be designated "Lease Revenue Notes (2017 Governmental Leasing Program), Series 2021 C-2."

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Section 202. **Terms of Series 2021 C-2 Notes.** (a) The Series 2021 C-2 Notes shall be dated their date of issuance, shall mature and shall bear interest at such rate of interest per annum as shall be determined by the Series Certificate delivered prior to the authentication and delivery upon original issuance of the Series 2021 C-2 Notes. The Series Certificate may contain such other terms and provisions with respect to the Series 2021 C-2 Notes that are not established by the terms of the Resolution or by the terms hereof and that are not inconsistent with the provisions thereof and hereof.

(b) The Series 2021 C-2 Notes shall be issued in fully registered form in the par amount of the Series 2021 C-2 Notes. Unless the Commission shall otherwise direct the Registrar, the Series 2021 C-2 Notes shall be lettered and numbered R-1 and/or such other letter or letters as determined by the Trustee prefixed to the number. Subject to the provisions of this 2021 C-2 Supplemental Note Resolution, the form of the Series 2021 C-2 Notes and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401 and 1402 of the Resolution.

(c) The Series 2021 C-2 Notes shall be dated, and shall bear interest from the date dated thereof as shall be established in the Series Certificate, except as otherwise provided in Section 301 of the Resolution. The Series 2021 C-2 Notes shall mature on the date and in the Principal Amount, and shall bear interest payable on the Note Payment Date at the rate per annum set forth in the Series Certificate relating thereto.

Section 203. **Application of Proceeds of Series 2021 C-2 Notes.** The proceeds from the sale of the Series 2021 C-2 Notes shall be applied by the Trustee, upon receipt, in the manner set forth in Section 201 hereof and as may be further set forth in the Series Certificate.

Section 204. **Sale of Series 2021 C-2 Notes.** (a) Pursuant to and in accordance with the terms of the Resolution, as further amended and supplemented by this 2020 Supplemental Bond Resolution, the Commission hereby determines that the Authorized Commission Representatives are authorized to sell and to award the Series 2021 C-2 Notes on behalf of the Commission to the purchaser thereof, including the power to determine, among other things, (a) the amount of the Series 2021 C-2 Notes to be issued, in an amount not-to-exceed the amount of the Series 2021 C-2 Notes that are authorized to be issued pursuant to the terms of Section 201 hereof, (b) the time and manner of sale of the Series 2021 C-2 Notes, (c) the maturity date of the Series 2021 C-2 Notes (subject to the limitations contained below and in Section 202 hereof) and the provisions pertaining to redemption, if any, of the Series 2021 C-2 Notes, (d) the rate of interest for the Series 2021 C-2 Notes, and (e) such other terms and conditions as may be necessary or related to the sale of the Series 2021 C-2 Notes, and the Authorized Commission Representatives are hereby authorized to determine the details of and execute a contract of purchase or other similar document, if any, in connection with the sale of the Series 2021 C-2 Notes (the "Purchase Contract"). The Authorized Commission Representatives are hereby authorized to award the Series 2021 C-2 Notes to the purchaser or purchasers thereof. Such award shall be evidenced by the execution of a Purchase Contract and a Series Certificate.

(b) The Purchase Contract, if any, and the Series Certificate shall determine the terms and conditions relating to the sale of the Series 2021 C-2 Notes, including the maturity date for the Series 2021 C-2 Notes, the rate of interest to be borne by the Series 2021 C-2 Notes and the Underwriter's discount, if any, that is payable to the Underwriter in connection with the sale of the Series 2021 C-2 Notes; provided, however, that without the further authorization of the Commission, the final maturity date for the Series 2021 C-2 Notes shall be not later than one year from the Date of Issue, the rate of interest (or the net interest rate in the event that the Series 2021 C-2 Notes are issued as fixed interest rate obligations) or the initial rate of interest (in the event the Series 2021 C-2 Notes bear interest at a variable rate of interest), as the case may be, to be borne by the Series 2021 C-2 Notes shall not exceed four percent (4.00%) per annum, and the Underwriter's discount for the Series 2021 C-2 Notes shall not exceed \$2.50 per \$1,000 principal amount of the Series 2021 C-2 Notes. The Purchase Contract and the Series Certificate shall contain such other terms and conditions as shall be deemed necessary in connection with the sale of the Series 2021 C-2 Notes.

(c) Any Authorized Commission Representative is also authorized to accept terms and conditions relating to the Series 2021 C-2 Notes required as a condition to the issuance

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thereof and to make such necessary changes in this 2021 C-2 Supplemental Note Resolution to reflect such terms and conditions as such Authorized Commission Representative deems necessary and appropriate with the advice of Bond Counsel and to set forth such provisions in the Series Certificate.

(d) The sale and award of the Series 2021 C-2 Notes by the Authorized Commission Representatives shall be evidenced by the execution of the Purchase Contract and the Series Certificate as of the date of the sale and award of the Series 2021 C-2 Notes, and the Series Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following such sale and award as evidence of the terms and details of the sale of the Series 2021 C-2 Notes.

(e) The Commission's Bond Counsel and Financial Advisor and the Underwriter are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2021 C-2 Notes. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the Series 2021 C-2 Notes, the Series 2018A Notes and the Series 2018 Bonds; provided, however, that the form and content of such revised Preliminary Official Statement shall have been previously approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission, prior to the distribution thereof.

(f) The Chairman or the Vice Chairman of the Commission is each hereby authorized to execute the final Official Statement and such officers, including the Chairman or the Vice Chairman, the Executive Director, the Secretary, the Treasurer and any other Authorized Commission Representative, shall execute any closing documents which are required to be executed in connection with the delivery of the Series 2021 C-2 Notes. Any actions which are not determined by this 2021 C-2 Supplemental Note Resolution or any other resolution of the Commission duly adopted prior to the authentication and delivery of the Series 2021 C-2 Notes shall be determined by an Authorized Commission Representative.

(g) The Chairman, Vice Chairman, Secretary and any other Authorized Commission Representative, be, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this 2018B Note Supplemental Resolution, the Leases (as further amended by the Fifth Amendments to the Leases), the Preliminary Official Statement, the Official Statement and the Purchase Contract and for the authorization, sale and issuance of the Series 2021 C-2 Notes. The execution by such Officers of any such documents with such changes, insertions or omissions as shall be approved by the Commission's Chairman or Vice Chairman in consultation with the Commission's Bond Counsel shall be conclusive evidence of the approval of such changes, insertions or omissions and no further ratification or other actions by the Commission members shall be required with respect thereto.

Section 205. **Amendments to Leases.** (a) The Fifth Amendments to Improvement Lease, substantially in the form set forth on the draft on file with the Commission's Executive Director and General Counsel, together with such changes as may be required for such amendment to be effective in the opinion of General Counsel, is hereby approved. An Authorized Commission Representative is hereby authorized to execute the same on behalf of the Commission and the Secretary is hereby directed to seal and attest this document. Upon due execution by the Commission and the County, Exhibit A and Exhibit B of the Improvement Lease Agreement are hereby deleted in their entirety and replaced by Exhibit A and Exhibit B attached to the Fifth Amendment to Improvement Lease, and all references in the Improvement Lease Agreement to Exhibit A or Exhibit B shall be references to Exhibit A or Exhibit B, respectively, attached to the Fifth Amendment to Improvement Lease. The Exhibits to the Fifth Amendment to the Improvement Lease shall exist and coincide with the exhibits attached to the Fourth Amendment to the Improvement Lease executed in connection with the issuance by the Commission of its Lease Revenue Bonds, Series 2020 C-2.

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(b) The Fifth Amendment to Equipment Lease, substantially in the form set forth on the draft on file with the Commission's Executive Director and General Counsel, together with such changes as may be required for such amendment to be effective in the opinion of General Counsel, is hereby approved. An Authorized Commission Representative is hereby authorized to execute the same on behalf of the Commission and the Secretary is hereby directed to seal and attest this document. Upon due execution by the Commission and the County, Exhibit A of the Equipment Lease Agreement is hereby deleted in its entirety and replaced by Exhibit A attached to the Fifth Amendment to Equipment Lease, and all references in the Equipment Lease Agreement to Exhibit A shall be references to Exhibit A attached to the Fifth Amendment to Equipment Lease. The Exhibits to the Fifth Amendment to the Equipment Lease shall exist and coincide with the exhibits attached to the Fourth Amendment to the Equipment Lease executed in connection with the issuance by the Commission of its Lease Revenue Bonds, Series 2020 C-2.

ARTICLE III  
MISCELLANEOUS

**Section 301. Supplemental Resolutions: Amendment of 2021 C-2 Supplemental Note Resolution.** At any time or from time to time, a Supplemental Resolution of the Commission may be adopted for the purpose of further supplementing or amending the Resolution or supplementing this 2021 C-2 Supplemental Note Resolution, in each case upon the terms and conditions set forth in Article XI of the Resolution. Notwithstanding the foregoing, the authorization of the issuance and sale of any of the Series 2021 C-2 Notes may be modified or rescinded at any time prior to the issuance or sale thereof by resolution duly adopted by the Commission.

**Section 302. Severability of Invalid Provisions.** If any one or more of the provisions, covenants or agreements in this 2021 C-2 Supplemental Note Resolution on the part of the Commission or any fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements shall be deemed separable from the remaining provisions, covenants and agreements and shall in no way affect the validity of the other provisions of this 2021 C-2 Supplemental Note Resolution or of the Series 2021 C-2 Notes.

**Section 303. Successors and Assigns.** Whenever in this 2021 C-2 Supplemental Note Resolution the Commission is named or referred to, it shall, and shall be deemed to, include its successors and assigns, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Commission contained in this 2021 C-2 Supplemental Note Resolution shall bind and inure to the benefit of such successors and assigns and of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Commission or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this 2021 C-2 Supplemental Note Resolution.

**Section 304. No Recourse on Series 2021 C-2 Notes.** No recourse shall be had for the payment of the principal or redemption price of or interest on the Series 2021 C-2 Notes or for any claim based thereon or on the Resolution or this 2021 C-2 Supplemental Note Resolution against any member, commissioner or other officer of the Commission or any person executing the Series 2021 C-2 Notes. The Series 2021 C-2 Notes are not and shall not be in any way a debt or liability of the State or of any political subdivision thereof (other than the Commission, to the limited extent set forth in the Resolution and this 2021 C-2 Supplemental Note Resolution, and the County, to the extent set forth in the Leases (as further amended by the Fifth Amendments to the Leases)), and do not and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof (other than the Commission, to the limited extent set forth in the Resolution and this 2021 C-2 Supplemental Note Resolution, and the County, to the extent set forth in the Leases (as further amended by the Fifth Amendment to the Lease Agreements)), either legal, moral or otherwise. The Commission has no taxing power.

**Section 305. Incorporation of Resolution by Reference.** All other provisions of the Resolution, as heretofore amended and supplemented, are incorporated by this reference, as if the same were set forth in full herein, and such provisions shall remain in full force and effect.

**Section 306. 2021 C-2 Supplemental Note Resolution to Constitute a Contract-Governing Law.** This 2021 C-2 Supplemental Note Resolution shall be deemed to be a contract made under the laws of the State, and for all purposes shall be construed in accordance with the laws of the State.

**Section 307. Effective Date.** In accordance with the terms of Section 1101 of the Resolution, this 2021 C-2 Supplemental Note Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy of this 2021 C-2 Supplemental Note Resolution, certified by an Authorized Commission Representative.

RECORDED VOTE

AYES:

ABSTAIN:

Chairman Matthew Riggins  
Vice-Chairwoman Sandra Nunes  
Commissioner John B. Comegno II

NAYES:

ABSENT:

The foregoing is a true copy of a resolution adopted by the governing body of the BURLINGTON COUNTY BRIDGE COMMISSION at a meeting thereof duly called and held on September 14, 2021.

  
Kathleen Wiseman, Secretary

**RESOLUTION NO. 2017-85**

**RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OR NOTES (2017 COUNTY LEASING PROGRAM), SERIES 2017**

September 18, 2017

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**RESOLUTION OF THE BURLINGTON COUNTY BRIDGE COMMISSION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS (2017 COUNTY LEASING PROGRAM), SERIES 2017**

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

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

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

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

**2017 County Leasing Program** shall mean, collectively, the Equipment acquired and installed or to be acquired and installed on behalf of the County and the Improvements constructed and reconstructed or to be constructed and reconstructed on behalf of the County with the proceeds of the Series 2017 Bonds.

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

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

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

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

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

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



Chairman or Vice Chairman of the Commission containing the specimen signature of each such person.

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

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

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

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

**Basic Rent** shall mean (i) the sum of money necessary to amortize Debt Service on any Series of Bonds and allocated to the County and payable by the County on each Lease Payment Date and, with respect to the Series 2017 Bonds, shall mean the sum set forth in Exhibit A to the Equipment Lease and in Exhibit B to the Improvements Lease and as described in the respective Lease, and (ii) the sum of money required to pay the Redemption Price, if any, to the extent required to redeem the Bonds pursuant to Article IV hereof.

**Bond or Bonds** shall mean the Outstanding Bonds of the Commission issued pursuant to Section 201 hereof, including the Series 2017 Bonds and Refunding Bonds, if any.

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

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

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

**Bond Year** means, with respect to the Series 2017 Bonds, the twelve (12) month period ending on the day that is selected by the Commission. The first and last Bond Year may be short

periods. If no day is selected by the Commission before the earlier of the final maturity date of the Series 2017 Bonds or the date that is five (5) years after the date of original issuance, Bond Years end on each anniversary of the date of original issuance and on the final maturity date of the Series 2017 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Resolution pursuant to which such Series of Refunding Bonds is issued.

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

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

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

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

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

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

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

**Counsel's Opinion** means an opinion which shall be signed by an attorney or firm of attorneys of recognized standing (who may be counsel to the Commission) which shall be selected by the Commission, which opinion shall be satisfactory in form and content to the Commission and, if such opinion is required to be delivered to the Trustee, which shall be satisfactory in form and content to the Trustee.

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

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

**Debt Service** for any period shall mean, as of any date of calculation with respect to any Series of Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the Debt Service Fund, and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of any Series of Bonds, whichever is later. Such interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

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

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

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

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

**Delegation Resolution** shall mean (i) in the case of the Series 2017 Bonds, the Bond Resolution, and (ii) in the case of any Series of Refunding Bonds, any resolution of the Commission hereafter adopted pursuant to which the power to determine certain details of such Series of Refunding Bonds is delegated to an authorized officer of the Commission.

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

**Equipment or Item(s) of Equipment** shall mean the capital equipment described in Exhibit B annexed to the Equipment Lease purchased and acquired with the proceeds of the Series 2017 Bonds, including any item of capital equipment substituted or added pursuant to Section 8.1(b) of the Equipment Lease and described in Exhibit G annexed thereto.

**Equipment Lease** shall mean, with respect to the Series 2017 Bonds, that certain Lease and Agreement or Agreements, as applicable, by and between the Commission and the County for the acquisition and installation of Items of Equipment, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions hereof and the Equipment Lease.

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

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

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

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

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

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

**Improvements** shall mean the infrastructure improvements and facilities described in Exhibit A annexed to the Improvements Lease constructed and reconstructed with the proceeds of the Series 2017 Bonds.

**Improvements Lease** shall mean with respect to the Series 2017 Bonds, that certain Lease and Agreement or Agreements, as applicable, by and between the Commission and the County for the construction and reconstruction of the Improvements, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions hereof and the Improvements Lease.

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

**Interest Payment Date** shall mean, with respect to the Series 2017 Bonds, the dates that shall be established in the Series Certificate pertaining thereto, and such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a series of Bonds, if any. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Lease Payment** shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County upon demand pursuant to Section 3.1(a) and (b) of the Equipment Lease and Section 5.1(a) and (b) of the Improvements Lease, respectively.

**Lease Payment Date** shall mean, with respect to the Series 2017 Bonds, such dates as shall be established in the Leases, which dates shall not be later than the first day of the month immediately preceding each Interest Payment Date and Principal Installment Date, as applicable, and such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Bonds, if any. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

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

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

**Month** shall mean a calendar month.

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

**Notes** shall mean a Series 2017 Bond sold as a note with an annual payment of interest and a bullet maturity.

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

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

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

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

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

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

**County** shall mean the County, which executed Leases with the Commission for the purposes of acquiring the Equipment or constructing the Improvements with the proceeds of the Series 2017 Bonds, all of which are situated in the County of Burlington, New Jersey.

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

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

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

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

**Principal Installment** shall mean, as of any date of calculation, and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been

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established plus any applicable redemption premium thereon, and (ii) any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of the Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

**Principal Installment Date** shall mean any date on which Principal Installment on any Series of Bonds shall become due and payable by the Commission and, with respect to the Series 2017 Bonds, the dates set forth in the Series Certificate pertaining thereto on which any Principal Installment shall become due and payable by the Commission, or such other date as set forth in a Supplemental Resolution authorizing a Series of Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

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

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

**Project** shall have the meaning set forth in the Leases.

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

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

**Record Date** shall mean, with respect to the Series 2017 Bonds, the fifteenth (15th) day next preceding any Interest Payment Date (whether or not a Business Day) or such other dates as set forth in a Supplemental Resolution authorizing a Series of Bonds or in the Series Certificate relating thereto.

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

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

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

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

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

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

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

**Series 2017 Bonds** shall mean the Lease Revenue Bonds (2017 County Leasing Program), Series 2017 or Notes authenticated and delivered upon original issuance pursuant to Section 203 hereof.

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

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

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

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

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

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

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

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

**Trustee** shall mean with respect to the Series 2017 Bonds and any Series of Bonds issued hereunder, TD Bank, National Association, and its successors and assigns and any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Bond Resolution or appointed Trustee pursuant to a Supplemental Resolution.

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

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

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

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

**Section 201. Authorization of Bonds.** 1. The Commission does hereby determine to acquire, construct and install or cause to be acquired, constructed and installed the 2017 County Leasing Program pursuant to and in accordance with the Act.

2. In accordance with the Act and pursuant to the provisions of this Bond Resolution, there is hereby authorized to be issued to acquire, construct or install or cause to be acquired, constructed or installed the 2017 County Leasing Program, Bonds of the Commission to be designated as "Lease Revenue Bonds (2017 County Leasing Program), Series 2017". The Bonds shall be direct and special obligations of the Commission payable solely from and secured by the Pledged Property. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Bond Resolution is limited to the Bonds authorized pursuant to Section 203 hereof and Refunding Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. The Bonds may, if and when authorized by the Commission pursuant to this Bond Resolution and one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "Lease Revenue Bonds (2017 County Leasing Program), Series 2017", shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Commission shall determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

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

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

(a) An opinion of Bond Counsel (dated the date the Bonds of such Series are initially issued) to the effect that, (i) the Commission has the right and the power under the Act, as amended to the date of such opinion, to adopt this Bond Resolution; this Bond Resolution has been duly and lawfully adopted by the Commission, is in full force and effect, is valid and binding upon the Commission and is enforceable in accordance with its terms and no other authorization for the adoption of this Bond Resolution is required; (ii) this Bond Resolution creates the valid pledge that it purports to create of the Pledged Property; and (iii) the Bonds of such Series are valid, binding, direct and special obligations of the Commission as provided in

this Bond Resolution, enforceable in accordance with their terms and the terms of this Bond Resolution and entitled to the benefits of this Bond Resolution and of the Act as amended to the date of such opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such opinion and in accordance with this Bond Resolution; provided, that opinions as to enforceability may be limited as to bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy:

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

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

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

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

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

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

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

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

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

(k) In the case of the Series 2017 Bonds and in the case of any Supplemental Resolution which delegates to an Authorized Commission Representative the power to specify the information set forth in subparagraph (g) above, a certificate of such Authorized Commission Representative dated the date of delivery of the Bonds upon original issuance which specifies and sets forth such information (the "Series Certificate"); and

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

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

**Section 203. The Series 2017 Bonds.** 1. (a) Pursuant to the provisions of this Bond Resolution, a Series of Bonds entitled to the benefit, protection and security of the provisions hereof is hereby authorized to be issued in an aggregate principal amount not to exceed \$84,913,100.00. Such Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title, "Lease Revenue Bonds (2017 County Leasing Program), Series 2017".

(b) The Series 2017 Bonds shall be issued to (i) finance the Costs of the 2017 County Leasing Program for the County, (ii) make the required deposit of interest accrued on the

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Series 2017 Bonds, if any, into the Debt Service Fund, and (iii) pay costs and expenses incurred by the Commission and the County in connection with the issuance and delivery of the Series 2017 Bonds.

(c) The Series 2017 Bonds shall be issued in fully registered form in Authorized Denominations. Unless the Commission shall otherwise direct the Bond Registrar, 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, and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401, 1402 and 1403, respectively, hereof.

(d) The proceeds of the Series 2017 Bonds, including accrued interest, shall be paid to the Trustee and applied in accordance with an order of the Commission simultaneously with the delivery thereof as follows:

(1) an amount equal to the interest accrued on the Series 2017 Bonds from their dated date to the date of their delivery to the initial purchasers thereof, if any, shall be deposited in the applicable County Account within the Debt Service Fund; and

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

(3) the balance of the proceeds of the Series 2017 Bonds shall be deposited in the County Account in the Project Fund, which fund is created and established pursuant to Section 502 hereof.

2. The Series 2017 Bonds shall be dated, and shall bear interest from the dated date thereof (as shall be established in the Series Certificate), except as otherwise provided in Section 301 hereof. The Series 2017 Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable on the Interest Payment Dates at the respective rates per annum, set forth in the Series Certificate relating thereto; provided that (i) the aggregate principal amount of the Series 2017 Bonds shall not exceed \$84,913,100.00 (inclusive of original issue discount), (ii) the final maturity date shall not be later than December 31, 2042, (iii) the true interest cost of the Series 2017 Bonds shall not exceed six and twenty-five one hundredths percent (6.25%), (iv) the underwriter's discount for the Series 2017 Bonds shall not exceed \$6 per \$1,000 principal amount thereof (exclusive of counsel fees and expenses) and (v) the Redemption Price of any Series 2017 Bond subject to redemption shall not be greater than one hundred two percent (102%) per annum of the principal amount of Series 2017 Bonds or a portion thereof to be redeemed, plus accrued interest to the date of redemption. The amount and due date of each Sinking Fund Installment, if any, for the Series 2017 Bonds shall be as set forth in the Series Certificate awarding such Series 2017 Bonds to the initial purchasers thereof.

3. The principal or Redemption Price, if applicable, of the Series 2017 Bonds (other than book entry) shall be payable, upon presentation and surrender thereof, at the principal

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corporate trust office of TD Bank, National Association, as Paying Agent for the Series 2017 Bonds. The principal or Redemption Price, as applicable, of all Series 2017 Bonds shall also be payable on any Principal Installment Date at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Bond Resolution. Interest on the Series 2017 Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, on each Interest Payment Date, to the Registered Owners thereof as the same appear as of the Record Date on the books of the Commission maintained by the Trustee; provided, however, that a Registered Owner of \$1,000,000 or more in principal amount of Series 2017 Bonds shall be entitled, upon five (5) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds.

4. The Series 2017 Bonds shall be subject to redemption prior to their respective maturity dates as set forth in the Series Certificate in accordance with Article IV hereof.

5. Any Authorized Commission Representative is hereby authorized to determine the time and manner of sale of the Series 2017 Bonds, and to determine the details of and execute a contract of purchase or similar document (the "Purchase Contract") in connection with the sale of the Series 2017 Bonds. Any Authorized Commission Representative is hereby authorized to award the Series 2017 Bonds to the purchaser or purchasers thereof, such award to be evidenced by the execution of the Series Certificate described in paragraph 2 above. The Purchase Contract and the Series Certificate shall determine the terms and conditions relating to the sale of the Series 2017 Bonds, within the limitations set forth in paragraph 2 above, and may contain such other terms and conditions as shall be deemed necessary in connection with the sale of the Series 2017 Bonds. The Series Certificate shall be presented to the members of the Commission at the next regular meeting of the Commission following such sale and award as evidence of the terms and details of the sale of such Series 2017 Bonds.

6. The Financial Advisor to the Commission, the Commission's Bond Counsel and the Commission's investment bankers are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Commission in connection with the sale of the Series 2017 Bonds. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the Series 2017 Bonds; provided, however, that the form and content of such revised Preliminary Official Statement shall have been previously approved by the Commission, or by any Authorized Commission Representative, as the case may be, acting on behalf of the Commission, prior to the distribution thereof.

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

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other resolution of the Commission duly adopted prior to the authentication and delivery of the Series 2017 Bonds shall be determined by an Authorized Commission Representative.

8. Any Authorized Commission Representative is hereby authorized to execute a commitment for bond insurance for the Series 2017 Bonds with a bond insurance company, provided that the Financial Advisor determines that the premium for the bond insurance will result in positive economic benefit.

9. Prior to delivery of any of the Series 2017 Bonds upon original issuance and notwithstanding anything to the contrary, any Authorized Commission Representative may, by execution of the Series Certificate evidencing same, modify or amend any of the terms or provisions of the Bond Resolution in any respect or for any purpose without any further action by the members of the Commission; provided, however, that such modifications or amendments shall be approved by the Commission's Chairman or Vice Chairman in consultation with the Commission's Bond Counsel.

10. The Chairman, Vice Chairman, Secretary, Executive Director and any other Authorized Commission Representative, be, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Bond Resolution, the Leases, the Preliminary Official Statement, the Official Statement and the Purchase Contract and for the authorization, sale and issuance of the Series 2017 Bonds. The execution by such officers of any such documents with such changes, insertions or omissions as shall be approved by the Commission's Chairman or Vice Chairman in consultation with the Commission's Bond Counsel shall be conclusive evidence of the approval of such changes, insertions or omissions and no further ratification or other actions by the Commission members shall be required with respect thereto.

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

(a) Except as provided in subparagraph (c) of this Section 204 and Section 203(1)(c) hereof, the registered Holder of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. ("Cede") as nominee of DTC. With respect to all Bonds for which Cede shall be the registered Holder, payment of semiannual interest on such Bonds shall be made by wire transfer of New York Clearing House or equivalent next day funds to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Commission kept by the Bond Registrar.

(b) The Bonds shall be initially issued in the form of a separate fully registered bond in the amount of each separate serial or term maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books of the Commission kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Bonds so registered in the name of Cede, the Commission and the Trustee shall have no responsibility or obligation to any DTC County, indirect DTC County, or any beneficial owner of such Bonds. Without limiting the immediately preceding sentence, the Commission and the Trustee shall

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of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Bond Resolution. Upon the determination by any party authorized herein that such Bonds (or any portion thereof) shall no longer be limited to book entry form, the Commission shall immediately advise the Trustee in writing of the procedures for transfer of such Bonds from such book-entry form to a fully registered form.

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

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

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

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

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

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

C. Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of those Bonds, if any, to be redeemed or the principal amount of those Bonds, if any, to be paid at maturity, together with accrued interest on such Bonds to the redemption or maturity date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocable in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Investment Securities in such principal amounts, of

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have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC County or indirect DTC County with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any DTC County, indirect DTC County, beneficial owner or any other person, other than DTC or Cede, of any notice with respect to such Bonds, or (iii) the payment to any DTC County, indirect DTC County, beneficial owner or any other person, other than DTC or Cede, of any amount with respect to the principal of, redemption premium, if any, or interest on such Bonds. The Commission and the Trustee may treat as, and deem DTC to be, the absolute registered Holder of each such Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such Bond, (ii) giving notices with respect to such Bonds, (iii) registering transfers with respect to the Bonds, and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on such Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to such principal, redemption premium, if any, and interest to the extent of the sum or sums so paid. No person other than DTC shall receive a Bond certificate evidencing the obligation of the Commission to make payments of principal thereof, redemption premium, if any, and interest thereon pursuant to this Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Bond Resolution shall refer to such new nominee of DTC.

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

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

(3) Upon the termination of the services of DTC with respect to all or any portion of such Bonds pursuant to Section 204(c)(2)(i) or 204(c)(2)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to all or any portion of such Bonds pursuant to Section 204(c)(1) or Section 204(c)(2)(ii)(B) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Commission, is willing and able to undertake such functions upon reasonable and customary terms, such Bonds (or the applicable portion thereof) shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee

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such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of subsection 2 of Section 1301 hereof, and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 and including a verification report to the same effect; and

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

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

### ARTICLE III

#### GENERAL TERMS AND PROVISIONS OF BONDS

**Section 301. Obligation of Bonds; Medium of Payment; Form and Date; Letters and Numbers.** 1. The Bonds shall be direct and special obligations of the Commission payable, with respect to principal or Redemption Price and interest, solely from the Pledged Property, which under the Act and this Bond Resolution may be used for the payment of principal or Redemption Price of and interest on the Bonds of the Commission.

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

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

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

5. Bonds upon original issuance shall be dated as provided in this Bond Resolution. Refunding Bonds shall be dated as provided in a Supplemental Resolution. Principal of the Bonds shall be payable at maturity upon presentation and surrender thereof at the office of the Paying Agent. Bonds shall bear interest as provided herein, payable by check or bank draft, except as provided in Section 204 hereof, to registered owners of such Bonds as of the Record Date provided for such Bonds at their addresses on file with the Trustee who has been designated the Bond Registrar hereunder. After original issue, all Bonds exchanged or transferred shall bear

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an authentication date that shall be the date authenticated. Interest on Bonds shall accrue from the Interest Payment Date to which interest has been paid next preceding the authentication date unless (1) the date of authentication is also an Interest Payment Date to which interest has been paid, in which event such Bonds shall be dated and shall bear interest from the date of authentication, or (2) the date of authentication is prior to the first Interest Payment Date, in which event such Bonds shall bear interest from the original dated date of such Bonds; provided however that if, as shown on the records of the Trustee, interest on the Bonds of any Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

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

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

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

**Section 305. Transfer, Exchange and Registry of Bonds and Agency Therefor.** 1. The Commission shall cause and hereby appoints the Bond Registrar as its agent to maintain and to keep books for the registration, the exchange and the transfer of Bonds. Upon presentation of Bonds for transfer or exchange at the designated office of the Bond Registrar, together with (i) a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Holder or

by his attorney duly authorized in writing, and (ii) a certificate of an Authorized Commission Representative approving such transfer, the Bond Registrar shall register or shall cause to be registered and shall permit to be transferred thereon or to be exchanged any Bond entitled to registration, transfer or exchange. Upon the transfer or exchange of any Bond, the Commission shall execute, and the Trustee or the Bond Registrar shall authenticate and shall deliver a new Bond or Bonds in any Authorized Denomination registered in the name of the Holder or transferee of the same aggregate principal amount, designation and maturity as the surrendered Bond.

2. The Commission and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Commission as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price of and interest on such Bond and all such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Commission nor any Fiduciary shall be affected by any notice to the contrary. The Commission agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without gross negligence or willful misconduct under this Bond Resolution, in so treating such Registered Owner.

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

**Section 306. Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds.** In case any Outstanding Bond shall be mutilated, destroyed, stolen or lost, the Commission shall execute and the Trustee or the Bond Registrar, as the case may be, shall authenticate and shall deliver a new Bond, of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost in exchange and in substitution for and upon surrender of such mutilated Bond or in lieu of and in substitution for the Bond if any, destroyed, stolen or lost upon filing with the Trustee and the Bond Registrar evidence satisfactory to the Commission, the Trustee and the Bond Registrar that such Bond had been destroyed, stolen or lost and proof of ownership thereof, upon furnishing the Commission, the Trustee and the Bond Registrar with indemnity satisfactory to them, upon paying such expenses as the Commission, the Trustee and the Bond Registrar may incur in connection therewith and upon complying with such other reasonable regulations as the Commission, the Trustee and the Bond Registrar may prescribe. In lieu of reissuing a mutilated, destroyed, lost or stolen Bond that is due and payable, the Trustee and the Bond Registrar may

pay the amount due on such Bond to the owner or the Holder thereof, provided all the other requirements of this Section have been met. Any Bond surrendered for transfer shall be canceled by the Trustee. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Commission, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Bond Resolution, in any moneys or securities held by the Commission or any Fiduciary for the benefit of the Bondholders.

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

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

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

promptly notify the Commission of such Special Record Date and Default Interest Payment Date and, in the name and at the expense of the Commission, shall cause notice of the proposed payment of such Default Interest and the Special Record Date and Default Interest Payment Date therefor to be mailed, first class postage prepaid, to each Bondholder at his address as it appears in the Bond register, not less than ten (10) days prior to such Special Record Date.

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

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



ARTICLE IV  
REDEMPTION OF BONDS

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

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

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

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

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in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Bond to be redeemed in part.

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

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

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

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

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

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

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

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

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

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- (6) Rebate Fund, to be held by the Trustee on behalf of the Commission.

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

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

(b) All amounts in the County Account in the Project Fund shall be applied in the following order and priority: (i) to the Cost of the Project, as applicable, (ii) transferred to the Operating Fund to pay Commission Administrative Expenses pursuant to Sections 503(2)(e) of this Bond Resolution, and (iii) to the extent not otherwise utilized, moneys in the County Account in the Project Fund shall be transferred to the County Account in the Debt Service Fund or Proceeds Fund and applied by the Trustee in accordance with subparagraphs (g) and (h) of Sections 503(2) and 503(3) hereof.

2. (a) With respect to a County Equipment Lease, the Trustee shall make payments from the County Account with respect to such Equipment Lease in the Project Fund for the Cost of Equipment in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this Section 503(2). Before any such payment shall be made, there shall be filed with the Commission and the Trustee: (i) a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit E to the Equipment Lease or, in the case of advance, progress or partial payments, Exhibit D to the Equipment Lease, signed by an Authorized County Representative and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), certifying in respect of each payment to be made (A) the requisition number, (B) the name and address of the person, firm or corporation to whom payment is due or has been made, (C) the amount to be paid, (D) the Item(s) of Equipment to which the requisition relates, and (E) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost and is a proper charge against the County Account with respect to the Equipment Lease in the Project Fund and has not been the basis of any previous withdrawal; and (ii) either (A) an Acceptance Certificate described in subparagraph (c) hereof in the case of payment in full of the Cost of any Item of Equipment against delivery thereof or (B) in the case of an advance, progress or partial payment pursuant to Section 2.5(g) of the Equipment Lease, a performance bond satisfying the requirements of Section 5.8 of the Equipment Lease. The Trustee shall issue its check for each payment required by such

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requisition or shall, by interbank transfer or other method, arrange to make the payment required by such requisition.

(b) In the event the Cost of an Item of Equipment purchased by a County exceeds the amount therefor specified in Exhibit B or Exhibit G, as applicable, to the Equipment Lease, the Trustee shall make payments from the County Account with respect to the Equipment Lease in the Project Fund for the Cost thereof in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subparagraph. Before any such payment shall be made, there shall be filed with the Trustee and the Commission: (i) a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit E to the Equipment Lease or, in the case of advance, progress or partial payments, Exhibit D to the Equipment Lease, signed by an Authorized County Representative and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), certifying in respect of each payment to be made (A) the requisition number, (B) the name and address of the person, firm or corporation to whom payment is due or has been made, (C) the amount to be paid, (D) the Item(s) of Equipment to which the requisition relates, (E) the amount originally specified in Exhibit B or Exhibit G, as applicable, to the Equipment Lease as the Cost of the Item(s) of Equipment, (F) the amount of money the County has forwarded to the Trustee on behalf of the Commission for deposit in the County's County Account with respect to the Equipment Lease in the Project Fund to fund the balance of the Cost of the Item of Equipment, (G) the check and a copy thereof evidencing such payment referred to in clause (F) above, and (H) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost and is a proper charge against the County Account in the Project Fund and has not been the basis of any previous withdrawal; (ii) a bank or certified check payable to the County Account in the Project Fund in the amount necessary to fund the balance of such Cost; and (iii) either (A) an Acceptance Certificate described in subparagraph (c) hereof in the case of payment in full of the Cost of any Item of Equipment against delivery thereof in the case of payment in full of the Cost of any Item of Equipment against delivery thereof, or (B) in the case of an advance, progress or partial payment made pursuant to Section 2.5(g) of the Equipment Lease, a performance bond satisfying the requirements of Section 5.8 of the Equipment Lease. Any such moneys deposited by the County pursuant to the provisions hereof shall not constitute Revenues or Pledged Property pledged for the security of the repayment of the Bonds. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method, arrange to make the payment required by such requisition.

(c) The completion of the acquisition and installation of all Items of Equipment shall be evidenced by Acceptance Certificate(s) for each Item of Equipment of an Authorized County Representative, approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld) pursuant to Section 2.3 of the Equipment Lease, which shall be filed with the Trustee and the Commission, certifying (i) that the acquisition and installation of all Items of Equipment has been completed substantially in accordance with the specifications applicable thereto and that such Item of Equipment is ready for use, (ii) the date of such completion, and (iii) the purchase price of such Item of Equipment. Notwithstanding the foregoing, such Acceptance Certificate shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being.

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(d) Subject to the provisions of subparagraph (e) below, if subsequent to the filing of such Acceptance Certificate, it shall be determined by an Authorized County Representative and an Authorized Commission Representative that the amount of the portion of the Bond proceeds allocable to the Equipment specified in such Certificate as being required for the payment of any remaining part of the Cost are no longer so required, such fact shall be evidenced by a certificate or certificates of an Authorized County Representative and an Authorized Commission Representative, which Certificate shall be filed with the Commission and the Trustee certifying such fact and certifying that any amount shown therein is no longer required to purchase such Item of Equipment, such amount shall be transferred by the Trustee in accordance with the directions of the County and Commission for deposit in the County's County Account in the Debt Service Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(2).

(e) At any time after the filing of such Acceptance Certificate, upon the delivery to the Trustee of written instructions of an Authorized Commission Representative, the Trustee shall transfer to the Operating Fund from the County Account with respect to the Equipment Lease in the Project Fund, moneys in an amount equal to the County's pro rata share of Commission Administrative Expenses as shall be determined by the Commission and evidenced in a certificate of an Authorized Commission Representative to be necessary or desirable to fund Commission Administrative Expenses for the Bond Year, such amounts to be applied to the purposes of such Operating Fund. Upon the filing of such Acceptance Certificate and the certificate of the Authorized Commission Representative, the balance of Bond proceeds in the County Account with respect to the Equipment Lease in the Project Fund in excess of the amount, if any, stated in such certificate and the amount to be transferred to the Operating Fund as set forth in the immediately preceding sentence, shall be transferred into the Debt Service Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(2), as applicable.

(f) Any damages or other moneys from any manufacturer or supplier of any Item of Equipment or its surety paid to the County pursuant to Section 2.6 of the Equipment Lease shall be paid to the Trustee for deposit in the County Account with respect to the Equipment Lease in the Project Fund (in accordance with written instructions from the Commission as directed in writing by the County) to the extent such funds are necessary to complete the acquisition of such Item of Equipment. Any moneys not necessary to complete the acquisition of such Item of Equipment, as stated in a certificate of an Authorized County Representative delivered to the Trustee, shall be transferred by the Trustee to the County Account in the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date, in accordance with Section 507(4) herein.

(g) Bond proceeds transferred from a County Account with respect to an Equipment Lease in the Project Fund to a County Account in the Debt Service Fund pursuant to this Section 503(2) shall be applied as a credit toward the Basic Rent obligations of the County as set forth in a certificate of an Authorized Commission Representative filed with the Trustee. The Lease Payment due from each such County on the next succeeding Lease Payment Date shall reflect the extent of the application of such amounts.

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(h) Pursuant to the written direction of the Commission, Bond proceeds in the County Account in the Project Fund which are to be transferred to a County Account in the Debt Service Fund pursuant to subparagraph (g) above, but which cannot be completely applied to the payment of Debt Service on the Bonds attributable to such County during such Bond Year, shall be deposited in the County Account in the Proceeds Fund and shall be paid over to the County Account in the Debt Service Fund on each Lease Payment Date and applied to the payment of Debt Service attributable to such County until all such amounts are exhausted; provided that any such amounts shall be invested subject to such Yield restrictions as shall be directed to the Trustee in writing by Bond Counsel.

3. (a) With respect to a County Improvements Lease, the Trustee shall make payments from the County Account with respect to such Improvements Lease in the Project Fund for the Costs of the Project in the amounts, at the times, in the manner, and on such other terms and conditions as are set forth in this Section 502(3). Before any such payment shall be made, there shall be filed with the Commission and the Trustee: (i) a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit C to the Improvements Lease, signed by an Authorized County Representative and by an Authorized Commission Representative (which approval shall not be unreasonably withheld), certifying in respect of each payment to be made (A) the requisition number, (B) the name and address of the person, firm, corporation or agency to whom payment is due or has been made, (C) the amount to be paid, (D) the Costs of the Project to which the requisition relates, (E) the Costs that have been incurred by the County and are proper charges against such County Account in the Project Fund, are proper Costs of the Project for which such County Account was established and such Costs have not been previously paid, (F) that the County has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of any of the moneys which are payable pursuant to such requisition to any of the persons, firms or corporations named in such requisition, or if any such lien, attachment or claim has been filed with or served upon the County, that such lien, attachment or claim has been released or discharged, and (G) that such requisition contains no item which represents payment on account of any retained percentages which the County is at the date of such certificate entitled to retain. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method, arrange to make the payment required by such requisition.

(b) In the case of expenses which have been incurred by the County for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs or revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Project or payments which are to be made for labor and to contractors, builders and materialmen in connection with such construction or payments which are to be made for restoration of property which has been damaged or destroyed in connection with such construction, a certificate of an Authorized County Representative, attached to such requisition, certifying that such Authorized County Representative has made reasonable investigations and that, to the best of his or her knowledge, each such obligation has been properly incurred by the County, and that insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or

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about the construction of the applicable Project or that such materials, supplies or equipment were fabricated for the construction thereof.

(c) If any requisition which is filed with the Commission and the Trustee in accordance with the terms of Section 503(3) hereof contains any item for payment of the Cost and expense of the acquisition of any lands, easements, or rights or interests in or relating to lands, there shall be attached to such requisition, before any payment with respect to such item shall be made, the following: (i) a certificate of an Authorized County Representative stating that such lands, easements, rights or interests are being acquired by the County and are necessary or useful and convenient for the construction or acquisition of the applicable Project, (ii) an opinion of counsel to the County stating that the County has the power to acquire such lands, easements, rights or interest, and that the County will have, upon the payment therefor, such right, title and interest as is or will be sufficient to provide the County with undisturbed possession, and (iii) an amendment to Exhibit A to the Improvements Lease identifying, with respect to the particular Project, the additional lands, easements, or rights or interests in or relating to lands which have been acquired by the County.

(d) At the time of substantial completion of the Project, the County shall file a Certificate of an Authorized County Representative (and approved by an Authorized Commission Representative) with the Commission and the Trustee and such Certificate shall state that the Project for which funds were deposited in the County Account in the Project Fund has been completed and that the sum stated in the certificate is sufficient to pay, and is required to be reserved in such County Account to pay, all items of Cost of the Project which, as of the date of such certificate, remain unpaid including an estimate of the amount of any such items which is not finally determined and all claims against the County arising out of the construction thereof. Subject to the provisions of subparagraph (e) below, upon receipt of such Certificate, the Trustee shall transfer the balance in such County Account in the Project Fund, in excess of the amount stated in the Certificate, in accordance with the directions of the County and the Commission for deposit in the County's County Account in the Debt Service Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(3).

(e) At any time following substantial completion of the Project and delivery of the Certificate required pursuant to subparagraph (d) of this Section 503(3), upon the delivery to the Trustee of written instructions of an Authorized Commission Representative, the Trustee shall transfer to the Operating Fund from the County Account with respect to the Improvements Lease in the Project Fund, money in an amount equal to County's pro rata share of the Commission Administrative Expenses as shall be determined by the Commission and evidenced in a certificate of an Authorized Commission Representative to be necessary or desirable to fund Commission Administrative Expenses for the Bond Year, such amounts to be applied to the purposes of such Operating Fund. Upon the filing of the certificate required pursuant to subparagraph (d) and the certificate of the Authorized Commission Representative, the balance of Bond proceeds in the County Account with respect to the Improvements Lease in the Project Fund in excess of the amount, if any, stated in such certificate and the amount to be transferred to the Operating Fund as set forth in the immediately preceding sentence, shall be transferred into

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the Debt Service Fund for application in accordance with the requirements of subparagraphs (g) and (h) of this Section 503(3), as applicable.

(f) Any damages or other moneys from any contractor, subcontractor or surety paid to the County pursuant to Sections 4.4 and 6.4 of the Improvements Lease shall be paid to the Trustee for deposit in the County Account with respect to the Improvements Lease in the Project Fund (in accordance with written instructions from the Commission as directed in writing by the County) to the extent such funds are necessary to complete the construction of the Project. Any moneys not necessary to complete the construction of the Project, as stated in a certificate of an Authorized County Representative delivered to the Trustee, shall be transferred by the Trustee to the County Account in the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with Section 507(4) herein.

(g) Bond proceeds transferred from a County Account with respect to an Improvements Lease in the Project Fund to a County Account in the Debt Service Fund pursuant to this Section 503(3) shall be applied as a credit toward the Basic Rent obligations of such County as set forth in a certificate of an Authorized Commission Representative filed with the Trustee. The Lease Payment due from each such County on the next succeeding Lease Payment Date shall reflect the extent of the application of such amounts.

(h) Pursuant to the written direction of the Commission, Bond proceeds in a County Account in the Project Fund which are to be transferred to a County Account in the Debt Service Fund pursuant to subparagraph (g) above, but which cannot be completely applied to the payment of Debt Service on the Bonds attributable to the County during such Bond Year, shall be deposited in the County Account in the Proceeds Fund and shall be paid over to the County Account in the Debt Service Fund on each Lease Payment Date and applied to the payment of Debt Service attributable to such County until all such amounts are exhausted; provided that any such amounts shall be invested subject to such Yield restrictions as shall be directed to the Trustee in writing by Bond Counsel.

**Section 504. Revenue Fund.** Except as set forth in Sections 505 and 603 hereof, all Revenues shall be promptly deposited by the Trustee upon receipt thereof into the County Account in the Revenue Fund and shall be applied as set forth in Section 505 hereof. All Revenues at any time deposited in the Revenue Fund shall be held in trust for the benefit of the Holders of the Bonds but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes set forth in this Article V.

**Section 505. Payments into Certain Funds.** 1. As soon as practicable after the deposit of Revenues into the Revenue Fund, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows:

(a) Revenues consisting of Basic Rent payments made by the County, the amount of such payment being in accordance with Exhibit A (or Exhibit G, if applicable) attached to the Equipment Lease or Exhibit B to the Improvements Lease, shall be applied to the County Account in the Debt Service Fund in accordance with Section 508 hereof; and

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2. Amounts payable to the Commission and to the County which constitute Additional Rent pursuant to Section 3.1(b) of the Equipment Lease and Section 5.1(b) of the Improvements Lease, shall first be deposited in the applicable County Accounts in the Revenue Fund, as directed by the Commission, and shall thereafter be immediately deposited in the Operating Fund by the Trustee upon receipt of such moneys by the Trustee from the County. The Trustee may rely conclusively upon Commission requests for Additional Rent under the Leases in determining the amount to be credited to the Operating Fund.

3. Revenues representing Proceeds shall be immediately credited in accordance with Sections 503(2)(f), 503(3)(f) and 507 hereof.

**Section 506. Operating Fund.** 1. Pursuant to an order of the Commission simultaneously delivered to the Trustee upon the original issuance of the Bonds, any Bond proceeds representing costs of issuance, including the Initial Commission Financing Fee, shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with paragraph 2 hereof.

2. Amounts deposited in the Operating Fund shall be paid out by the Trustee from time to time for costs of issuance, annual Trustee's fees, Commission Administrative Expenses, including expenses incurred by the Commission in the performance of an arbitrage rebate calculation, and any other items constituting Additional Rent upon requisition therefor submitted to the Trustee and signed by an Authorized Commission Representative or Authorized County Representative, as applicable, certifying: (i) the name of the person, firm or corporation to whom each such payment is due; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation in the stated amounts has been or will be incurred; and (iv) each obligation in the stated amounts has been or will be incurred by or on behalf of the Commission and the County or, with respect to the respective annual Trustee's fee, by the Trustee and that each item thereof is a proper charge against the Operating Fund and has not been previously paid.

**Section 507. Proceeds Fund - County Account(s).** 1. There shall be established a County Account for the County in the Proceeds Fund. Upon an election by the County or, as applicable, the Commission, to pursue Option B under Section 5.4(b) of the Equipment Lease or under Section 6.5(b) or 6.6(b) of the Improvements Lease, there shall be deposited in the County Account in the Proceeds Fund any Proceeds received with respect to an Item of Equipment or a Project, as applicable, as set forth in a certificate of an Authorized Commission Representative. Proceeds from any performance bond provided pursuant to Section 5.8 of the Equipment Lease or Section 4.4 of the Improvements Lease, as applicable, shall also be deposited in the County Account in the Proceeds Fund as set forth in a certificate of an Authorized Commission Representative. Proceeds on deposit in the County Account in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Basic Rent owed by the County on each Lease Payment Date for the payment of the Debt Service on the Bonds allocated to such County by the transfer of such Proceeds to the County Account in the Debt Service Fund as set forth in a certificate of an Authorized Commission Representative filed with

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the Trustee and the Commission at the time of the deposit of the Proceeds into the County Account in the Proceeds Fund.

2. To the extent moneys in the County Account in the Debt Service Fund are sufficient to satisfy the amount of Basic Rent payments due and owing by the County for such Bond Year, any Proceeds which remain in the County Account in the Proceeds Fund shall be transferred thereafter into the County Account in the Debt Service Fund on each Lease Payment Date for the payment of Debt Service on the Bonds allocated to such County until such Proceeds are exhausted. The application of such Proceeds in accordance herewith shall be credited toward the Basic Rent payments due and owing from the County in any Bond Year. Any such Proceeds in the County Account in the Proceeds Fund shall be invested subject to such Yield restrictions as shall be directed to the Trustee in writing by Bond Counsel.

3. Pursuant to Sections 4.2, 8.2 and 9.1 of the Equipment Lease and at the written direction of the Commission, Revenues from the sale of Items of Equipment of the County (net of expenses incurred by the Commission) shall be deposited in the County Account for such County in the Proceeds Fund and shall be applied by the Trustee in the following order: first, to the payment of the County's Basic Rent obligation under the Equipment Lease. Amounts remaining in the County Account in the Proceeds Fund after application thereof in accordance herewith shall be applied by the Trustee as a credit toward any other Additional Rent payments of the County due and owing under the Equipment Lease prior to the final Debt Service payment of the Bonds; such Proceeds shall be invested subject to such Yield restrictions as shall be directed to the Trustee in writing by Bond Counsel.

4. Revenues paid to the Trustee pursuant to Section 2.6 of the Equipment Lease, Sections 4.4 and 6.4 of the Improvements Lease and Sections 503(2)(f) and 503(3)(f) hereof shall be transferred by the Trustee, upon receipt of a Certificate of an Authorized Commission Representative stating the amount of money to be so transferred from the County Account in the Project Fund to the County Account in the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations pursuant to Sections 507(1) and (2) hereof.

5. (a) All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned on any moneys or investments in the Project Fund, Debt Service Fund and Proceeds Fund and in any County Accounts established within such Funds which shall be allocated and paid to the County by the Trustee in accordance with Section 603(2) of this Bond Resolution, shall be transferred to the County Account in the Proceeds Fund and held therein by the Trustee and applied in accordance with the provisions hereof.

(b) To the extent there are moneys from such investment earnings remaining in the County Account in the Proceeds Fund prior to the last Basic Rent payment, then such moneys shall be credited to the last Basic Rent payment to be made by the County by the Trustee in accordance with the written directions of the Commission.

(c) Notwithstanding the provisions of this paragraph 5, the amount derived from such investment earnings (and any interest thereon) in all the County Accounts in the

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Proceeds Fund shall be Yield restricted in accordance with written investment instructions of the Commission delivered to the Trustee.

**Section 508. Debt Service Fund.** 1. (a) Pursuant to Section 505(l)(a) hereof, (i) Revenues representing Basic Rent payments deposited in the Revenue Fund on any Lease Payment Date shall be credited as soon as practicable after the deposit thereof to the County Account in the Debt Service Fund. The Trustee shall determine (A) whether the amounts on deposit in the County Account in the Debt Service Fund in the aggregate are sufficient to meet the Debt Service Requirement on such Series of Bonds for the next succeeding Interest Payment Date and Principal Installment Date, as applicable, and (B) which, if any, County has not made a Basic Rent payment or any portion thereof.

(b) In the event such amounts in the Debt Service Fund are insufficient to meet such Debt Service Requirement, the Trustee shall give written notice thereof to the Commission, the Treasurer of the County, or its designee, and the County whose County Account in the Debt Service Fund is deficient of such deficiency no later than 3:00 p.m. of the second Business Day after such Lease Payment Date, which notice shall state the amount of such deficiency as of the close of business on such date, as applicable, the identity of the defaulting County and shall also state that such deficiency must be cured no later than fifteen (15) days before the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The notice to the Treasurer of the County, or its designee, and the Commission shall also include the amount of the Interest Payment and Principal Installment, as applicable, due and payable and the amount required to be paid by the County to cure such deficiency to enable the Trustee to make a Debt Service payment on the Bonds on the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The receipt of any such notice by the Treasurer of the County, or its designee, shall be acknowledged in writing by the County to the Trustee within two (2) Business Days after receipt thereof. If the County has not cured the deficiency in Basic Rent payments fifteen (15) days prior to the applicable Interest Payment Date and Principal Installment Date, as applicable, the Trustee shall so notify the County and the County shall pay to the Trustee, not later than two (2) Business Days prior to such Interest Payment Date and Principal Installment Date, as applicable, any and all amounts required to pay the Debt Service on the Bonds.

(c) The Trustee shall promptly notify the Commission and the County of any delinquent Basic Rent payments received by the Trustee at any time prior to an Interest Payment Date and Principal Installment Date, as applicable, which notice shall be sent by the Trustee to the Commission and the County not later than one (1) Business Day after receipt of any such delinquent payments.

2. On each Interest Payment Date, the Trustee shall make available to the Paying Agent from moneys available in the Debt Service Fund an amount which equals the interest on such Series of Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such interest on the Interest Payment Date, and on the Principal Installment Date of any Series of Bonds, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal of such Series of Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal on the

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Principal Installment Date. The Trustee may also pay out of the Debt Service Fund the accrued interest included in the purchase price of such Series of Bonds, pursuant to the provisions of paragraph 4 below.

4. The amount, if any, deposited in the County Account in the Debt Service Fund representing accrued interest on the proceeds of each Series of Bonds allocated to the County shall be set aside in such Fund and applied, in accordance with written instructions of the Commission delivered to the Trustee prior to the authentication of each such Series of Bonds, to the payment of accrued interest on the Bonds of such Series (or Refunding Bonds issued to refund such Bonds) as the same becomes due and payable.

5. Amounts on deposit in the Debt Service Fund for the payment of any Sinking Fund Installment shall be applied by the Trustee to the purchase or redemption of Bonds of the Series and maturity for such Sinking Fund Bonds of the Series and maturity for which the Sinking Fund Installment was established in an amount not exceeding that necessary to complete the retirement of the balance of such Sinking Fund Installment. Not more than sixty (60) days nor less than thirty (30) days preceding the due date of any such Sinking Fund Installment, any amount then on deposit in the Debt Service Fund may, and if so directed by an Authorized Commission Representative shall, be applied by the Trustee to the purchase of Bonds of the Series and maturity for which each Sinking Fund Installment was established in an amount not exceeding that which is necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. All purchases of any Bonds pursuant to this paragraph shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest thereon. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) and accrued interest paid on any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Installment Date for the purpose of calculating the amount of such Fund. Not less than thirty (30) days preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 405 hereof, on such due date Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment Date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Fund to the appropriate Paying Agent, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agent to effect such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by the Commission.

6. In the event of the refunding of any Bonds, the Trustee shall, if an Authorized Commission Representative so directs in writing, withdraw from the County Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts in such Fund or Account established under this Bond Resolution as set forth in such written direction; provided that in no event may the Authorized Commission Representative direct such withdrawal unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to paragraph 2 of Section 1301, and (ii) the amount remaining in the Debt Service Fund, after

giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to paragraph 1 of this Section 508. In the event of such refunding, an Authorized Commission Representative may also direct the Trustee in writing to withdraw from the Debt Service Fund all; provided, however, that in no event may the Authorized Commission Representative direct any such withdrawal unless items (i) and (ii) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account mandated by and held under this Bond Resolution.

**Section 509. Rebate Fund.** Moneys on deposit in the Rebate Fund, including earnings on or gain realized on any moneys or investments therein, shall be held by the Trustee in trust and applied and invested as provided by instructions to the Commission contained in the tax certificate delivered pursuant to Section 820 hereof.

(a) The Commission shall determine or shall cause to be determined the amounts necessary to equal the rebate requirement and shall cause the County to deposit such amount in the Rebate Fund according to its obligation, and the Commission shall transfer or cause to be transferred by the Trustee at such times and to such person as required by Section 148 of the Code an amount equal to the rebate requirement from the Rebate Fund. To the extent the amount on deposit in the Rebate Fund is not sufficient to meet the rebate requirement, the amount shall be immediately paid by the County according to its obligation, to the Trustee for deposit in the Rebate Fund. Notwithstanding anything contained in this Bond Resolution to the contrary, the Trustee shall not be responsible or liable for any loss, liability, or expense incurred to the extent incurred as a result of the failure of the County to fulfill its obligation with respect to the payment of the rebate requirement.

(b) The Trustee, as directed by an Authorized Commission Representative, shall apply or cause to be applied the amounts in the Rebate Fund at the times and in the amounts required by Section 148 of the Code solely for the purpose of paying the United States of America in accordance with Section 148 of the Code.

(c) Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Investment Securities, as directed by an Authorized Commission Representative, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Fund and in accordance with Section 603 hereof. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

(d) Pursuant to the provisions of Section 603(4) hereof, investment earnings from the Revenue Fund and Operating Fund may be deposited in the Rebate Fund upon written direction of an Authorized Commission Representative to the Trustee.

**Section 510. Trustee No Obligation for Rebate.** Notwithstanding the provisions of Section 509 hereof, the Trustee shall have no responsibility for the calculation, collection or payment pursuant to the Code of any rebate to the United States of America of arbitrage earnings on proceeds of Bonds issued pursuant to this Bond Resolution. The Commission agrees to perform or cause to be performed such calculation, collection and payment in accordance with

the requirements of the Code, and hereby indemnifies and holds harmless the Trustee from any liability arising out of the nonperformance by the Commission of such requirements under the Code.

## ARTICLE VI

### DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

**Section 601. Depositories.** 1. All moneys held by the Trustee and the Commission under the provisions of this Bond Resolution shall constitute trust funds and the Commission may deposit such moneys with the Trustee or any one of the Fiduciaries in trust for the Commission and the County. All moneys deposited under the provisions of this Bond Resolution with the Trustee shall be held in trust and applied only in accordance with the provisions of this Bond Resolution, and each of the Funds and Accounts established by this Bond Resolution shall be a trust fund for the purpose thereof.

2. Each Fiduciary shall be a bank or trust company organized under the laws of the State or a national banking association having capital stock, surplus and undivided earnings of \$100,000,000 or more and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Bond Resolution. No moneys shall be deposited with any Fiduciary in any amount exceeding fifteen percent (15%) of the amount which an officer of such Fiduciary shall certify to the Commission and the Trustee as to the capital stock and surplus of such Fiduciary.

**Section 602. Deposits.** 1. All Revenues and moneys held by the Trustee or any Fiduciary under this Bond Resolution may be placed on demand or time deposit, if and as directed by the Commission, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Commission and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed.

2. All moneys held under this Bond Resolution by the Trustee or any Fiduciary shall be (a) either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by lodging with the Trustee or its agents, as custodian, as collateral security, such securities as are described in clauses (a) through (c), inclusive, of the definition of Investment Securities in Section 101 hereof having a market value at the time of deposit (exclusive of accrued interest) not less than the amount of such moneys, or (b) secured in such other manner as may then be required by applicable Federal or State laws and regulations and applicable state laws and regulations of the state in which the Trustee or such Fiduciary (as the case may be) is located, regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Fiduciaries to give security under this paragraph 2 for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of and interest on any Series of Bonds, or to give security for any moneys which shall be represented by Investment Securities purchased as an investment of such moneys.

3. All moneys deposited with the Trustee and each Fiduciary shall be credited to the particular Fund or Account, including any County Account, to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in Section 603 hereof, the moneys credited to each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee and each Fiduciary.

**Section 603. Investment of Certain Funds.** 1. Moneys held in the Revenue Fund or the Debt Service Fund, including the County Accounts established therein, shall be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities, which Investment Securities shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Project Fund, the Operating Fund and the Proceeds Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Rebate Fund, if any, shall be invested and reinvested in accordance with the written instructions received from any Authorized Commission Representative. The Trustee shall make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Commission Representative. In making any investment in any Investment Securities with moneys in any Fund established under this Bond Resolution, the Commission may instruct the Trustee or any Fiduciary in writing to combine such moneys in any other Fund, permitted hereunder, but solely for purposes of making such investment in such Investment Securities.

2. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned on any moneys or investments in the Project Fund, Debt Service Fund and Proceeds Fund and any County Account established within such Funds shall be held for the benefit of the County in such Funds and shall be paid into the County Account in the Proceeds Fund on a periodic basis at least quarterly or as otherwise shall be directed by the Commission and applied pursuant to Section 507(S) hereof. The Trustee shall annually notify the County and the Commission in writing of such application of such interest to the County Account in the Proceeds Fund.

3. In the absence of written investment direction from an Authorized Commission Representative, the Trustee may invest moneys which the Commission has failed to direct in money market funds customarily invested in by the Trustee.

4. Notwithstanding anything herein to the contrary, the Commission may direct the Trustee to deposit interest earnings from the Revenue Fund and Operating Fund into the Rebate Fund to pay any amounts required to be set aside for rebate to the Internal Revenue Service pursuant to the Code.

5. Nothing in this Bond Resolution shall prevent any Investment Securities acquired as investments of or security for funds held under this Bond Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

6. Nothing in this Bond Resolution shall preclude the Trustee from investing or reinvesting moneys through its bond department; provided, however, that the Commission may, in its discretion, direct that such moneys be invested or reinvested in a manner other than through such bond department.

**Section 604. Valuation and Sale of Investments.** Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of this Bond Resolution shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account, subject to any transfers authorized hereunder.

In computing the amount in any Fund or Account created under the provisions of this Bond Resolution for any purpose provided in this Bond Resolution, obligations purchased as an investment of moneys therein shall be valued at the lesser of cost or market value thereof.

Except as otherwise provided in this Bond Resolution, the Trustee shall sell at the best price reasonably obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever either shall be requested in writing by an Authorized Commission Representative to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund or Account held by it. In lieu of such sale or presentation for redemption, the Trustee may, in making the payment or transfer from any Fund or Account mentioned in the preceding sentence, transfer at cost such investment obligations or coupons for interest appertaining thereto if such investment obligations or coupons shall mature or be collectable at or prior to the time the proceeds thereof shall be needed.

The Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided above.

## ARTICLE VII LEASES WITH COUNTY

**Section 701. Terms and Conditions for Lease.** The Commission shall lease the Equipment and the Improvements to the County and shall enter into Leases with the County, in the manner, on the terms and conditions and upon submission of the documents required by this Article VII.

**Section 702. Form of Lease.** The Leases shall be substantially in the respective forms set forth as Exhibits A and B hereto, with such revisions therein as shall be approved by the Commission.

**Section 703. Delivery of Documents in Connection with Leases.** Prior to or at the execution and delivery of the Leases by the County and the closing on each Series of Bonds, the Commission and the Trustee shall have received the following documents from the County:

- (i) an opinion of counsel or bond counsel for the County (as approved by Bond Counsel to the Commission) to the effect that the Leases were duly authorized by the County and are valid and binding obligations of the County;
- (ii) counterparts of each Lease executed by the County;
- (iii) copies of the Authorizing Instruments adopted by the governing body of the County authorizing the execution and delivery of the Leases and related applicable matters, certified by an Authorized County Representative or the Clerk or Secretary of the County;
- (iv) evidence satisfactory to Bond Counsel to the Commission that the Basic Rent and Additional Rent payments under the Leases, assuming the Basic Rent and Additional Rent attributable to the Leases are timely paid by the County, are sufficient to pay Debt Service on each Series of Bonds, Commission Administrative Expenses and all costs of the 2017 County Leasing Program, respectively; and
- (v) such other certificates, documents, opinions and information as the Commission may reasonably require in connection with the execution, delivery and implementation of the Leases and the issuance of such Series of Bonds.

All opinions and certificates required under this Section 703 shall be dated the closing date of such Series of Bonds and all such opinions shall be addressed to the Commission, the County and the Trustee.

**Section 704. Default Under Leases.** The Trustee shall by 3:00 p.m. of the second Business Day after a Lease Payment Date, immediately notify the Commission and the County of the Trustee's failure to receive a Basic Rent payment from the County and of any other event of default under the Leases known to the Trustee pursuant to Section 508 hereof.

Notwithstanding the above, the failure of the Trustee to receive any Basic Rent payment from the County on any Lease Payment Date shall not cause an Event of Default for the purposes of Article IX of this Bond Resolution or the acceleration of any of the Bonds then Outstanding.

**Section 705. The Trustee's Obligations.** 1. Subject to the provisions of Article IX and Section 1003 hereof, the Trustee shall reasonably assist and cooperate with the Commission in the enforcement of all terms and conditions of the Leases with the County, including (without limitation) the prompt payment of all Basic Rent and Additional Rent, and all other amounts due to the Trustee thereunder, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the County under the Leases and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Commission and the Holders under or with respect to each Lease; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Commission) from settling a default under the Leases on such terms as the Trustee shall determine to be in the best interests of the Commission and the Holders.

**Section 706. Termination of Leases.** Upon the payment in full by the County of all amounts due under the Leases, the Trustee shall, at the written direction of the Commission, undertake such actions as shall be required to effectuate the provisions of Article VIII of the Equipment Lease and Article V of the Improvements Lease, including (without limitation) the execution of all relevant documents in connection with such actions.

**Section 707. Files.** After the execution and delivery of the Leases, the Trustee shall retain all the documents received by it pursuant to this Article VII in connection with the Leases of the County in a file pertaining to the County, to which file the Trustee shall from time to time add all records and other documents pertaining to Rental Payments and other amounts received by the Trustee under the Leases and all communications from or received by the Trustee with respect to the County. Such file shall be kept at the principal corporate trust office of the Trustee and shall be available for inspection by the Commission at reasonable times and under reasonable circumstances.

## ARTICLE VIII

### PARTICULAR COVENANTS OF THE COMMISSION

The Commission covenants and agrees with the Trustee and the Bondholders as follows:

**Section 801. Payment of Bonds.** The Commission shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, the principal of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

**Section 802. Extension of Payment of Bonds.** The Commission shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Bond Resolution, to the benefit of this Bond Resolution or to any payment out of Revenues or Funds established by this Bond Resolution, including the investment, if any, thereof, pledged under this Bond Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Bond Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Commission to issue Refunding Bonds pursuant to Section 205 hereof and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

**Section 803. Offices for Servicing Bonds.** The Commission shall at all times maintain one or more agencies in the State, and may maintain one or more such agencies in any other state or states, where Bonds may be presented for payment. The Commission hereby appoints the Trustee as a Bond Registrar, and the Commission shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon the Commission in respect of the Bonds or of this Bond Resolution, and the Trustee shall continuously maintain or make arrangements to provide such services.

**Section 804. Further Assurances.** At any and all times the Commission shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which the Commission may become bound to pledge.

**Section 805. Power to Issue Bonds and Pledge Pledged Property.** The Commission is duly authorized under all applicable laws to create and issue the Bonds, to adopt this Bond Resolution and to pledge the Pledged Property purported to be subjected to the lien of this Bond Resolution in the manner and to the extent provided in this Bond Resolution. Except to the extent otherwise provided in this Bond Resolution, the Pledged Property so pledged is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with the pledge and assignment created by this Bond Resolution, and all action on the part of the Commission to that end has been and will be duly and validly taken. The Bonds and the provisions of this Bond Resolution are and will be the valid and legally binding obligations of the Commission. The Commission shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property under this Bond Resolution and all the rights of the Bondholders under this Bond Resolution against all claims and demands of all persons whomsoever.

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**Section 806. Creation of Liens.** The Commission shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Commission or by Fiduciaries under this Bond Resolution, and shall not create or cause to be created any lien or charge on the Pledged Property; provided, however, that nothing contained in this Bond Resolution shall prevent the Commission from issuing, if and to the extent permitted by law, evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in this Bond Resolution shall be discharged and satisfied as provided in Section 1301 hereof.

**Section 807. Accounts and Reports.** 1. The Commission shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, and each Fund or Account established under this Bond Resolution. All books and papers of the Commission shall, subject to the terms thereof, at all times be subject to the inspection of the Trustee, the County and the Holders of the Bonds or their representatives duly authorized in writing.

2. The Trustee and any Fiduciary shall advise the Commission and the County as soon as practicable after the end of each Month of the respective transactions during such Month relating to each Fund or Account held by it under this Bond Resolution.

3. The Commission shall annually, within one hundred twenty (120) days after the close of its Fiscal Year, file or cause to be filed with the Trustee and the County, and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate and including the following statements in reasonable detail: (i) a statement of assets and liabilities as of the end of such Fiscal Year; and (ii) a statement of revenues and expenses of the Commission for such Fiscal Year. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, the Commission is in default with respect to any of the covenants, agreements or conditions on its part contained in this Bond Resolution, and if so, the nature of such default.

4. The Commission shall file or cause to be filed with the Trustee and the County (a) forthwith upon becoming aware of any Event of Default or default in the performance by the Commission of any covenant, agreement or condition contained in this Bond Resolution, a certificate signed by an Authorized Commission Representative and specifying such Event of Default or other default and (b) within ninety (90) days after the end of each Fiscal Year, a certificate signed by an Authorized Commission Representative stating whether, to the best of his knowledge and belief, the Commission has kept, observed, performed and fulfilled its covenants and obligations contained in this Bond Resolution and that there does not exist at the date of such certificate any default by the Commission under this Bond Resolution or any Event of Default or other event which, with the lapse of time specified in Section 901 hereof, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

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5. The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Bond Resolution shall be available for the inspection of the Bondholders at the principal corporate trust office of the Trustee and shall be, at the expense of the Commission, mailed to each Bondholder who shall file a written request therefor with the Commission. The Commission may charge or cause to be charged each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

**Section 808. Payment of Taxes and Charges.** The Commission will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Commission or upon the rights, revenues, income, receipts, and other moneys, securities and funds of the Commission when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under this Bond Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Commission shall in good faith contest by proper legal proceedings if the Commission shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

**Section 809. The Leases.** The Commission shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Fund held by the Trustee all amounts, if any, payable to it pursuant to the Leases. The Commission shall provide the Trustee and the County with a certified copy of all requests for Additional Rent under the Leases. The Commission shall enforce or cause to be enforced all of the provisions of the Leases. Subject to the provisions of Section 815 hereof, the Commission will not consent or agree to or permit any amendment, change or modification to the Leases which would adversely affect the rights or security of Bondholders. Copies of the Leases certified by an Authorized Commission Representative shall be filed with the Trustee, and copies of any amendment thereto certified by an Authorized Commission Representative shall be filed with the Trustee.

**Section 810. Power to Determine and Collect Rentals.** The Commission has, and will have as long as any Bonds are Outstanding hereunder, good right and lawful power to establish and collect or cause to be established and collected the Rentals.

**Section 811. Rentals.** Prior to the execution of the Leases, and in each and every Fiscal Year during which Bonds are Outstanding, the Commission shall at all times establish and collect or cause to be established and collected Rentals, as shall be required to provide Revenues at least sufficient, together with other available funds, for the payment of the sum of:

- (a) an amount equal to the Debt Service on the Bonds for such Fiscal Year; and
- (b) all other charges or liens whatsoever payable out of Revenues during such Fiscal Year, including, but not limited to, Additional Rent.

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**Section 812. Acquisition, Construction and Installation of Equipment and Improvements and its Operation and Maintenance.** 1. The Commission shall acquire, construct and install or cause to be acquired, constructed and installed each Item of Equipment and the Improvements with due diligence and in a sound and economical manner.

2. The Commission shall at all times cause the County to use the Equipment and the Improvements properly and in an efficient and economical manner, consistent with good business practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the leasing of the Equipment and the Projects may be properly and advantageously conducted.

**Section 813. Maintenance of Insurance.** 1. The Commission shall at all times cause the County (for the benefit of the Commission) to maintain such insurance as shall be required by the respective provisions of the Leases.

2. The Commission shall also maintain any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Bondholders.

3. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing.

4. The Commission shall file with the Trustee annually, within 100 days after the close of each calendar year, a certificate of an Authorized Commission Representative setting forth a description in reasonable detail of the insurance then in effect by the County with respect to the Equipment and the Improvements and that the Commission has complied in all respects with the requirements of this Section.

**Section 814. Application of Insurance Proceeds.** The Proceeds of any insurance, including the Proceeds of any self-insurance fund, or condemnation award paid on account of any damage or destruction to the Equipment or the Projects or any portion thereof (other than any business interruption loss insurance) shall be applied as set forth in Section 5.4 of the Equipment Lease and Sections 6.5 and 6.6 of the Improvements Lease, as applicable, and Sections 503(2)(f), 503(3)(f), 505(3) and 507 hereof.

**Section 815. Enforcement of Leases; Amendments.** The Commission shall enforce the provisions of the Leases and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Bondholders and the County. The Leases may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of Outstanding Bonds without the prior written consent of (i) the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of each Series so affected then Outstanding; provided, however,

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that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made under the Leases or extend the time of payment thereof. The Leases may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds, but with the consent of the County, to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity therein, to correct or supplement any provisions contained in the Leases which may be defective or inconsistent with any other provisions contained in the Leases or to provide other changes which will not adversely affect the interest of such Holders, provided that any such changes shall not cause the respective Lease Payments thereunder to be insufficient to pay Debt Service on all Outstanding Bonds. Notwithstanding the above, amendments to the Equipment Lease to add, delete or substitute Equipment and to effectuate amendments to Exhibits B and G thereto resulting therefrom pursuant to Section 8.1 of the Equipment Lease may be accomplished with the prior written consent of the Commission but without the consent of the County and the Trustee, written or otherwise. Subsequent to the execution by the Commission of any amendment to the Leases, a copy thereof certified by an Authorized Commission Representative shall be filed with the Trustee and the County.

**Section 816. Termination of the Leases.** In the event the County is unable to pay when due the Rental Payments to be paid under the respective Leases or is unable to observe and perform any covenant or agreement on its part to be observed or performed under the respective Leases, the Commission upon written request of either the Trustee or the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, shall, to the extent permitted by law, exercise its right to accelerate the respective Leases and exercise remedies pursuant to Article 7 of the Equipment Lease and Article 8 of the Improvements Lease, respectively.

**Section 817. General.** 1. Upon the date of authentication and delivery of any Series of Bonds, all conditions, acts and things required by law and this Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds shall exist, have happened and have been performed and the issue of such Series of Bonds, together with all other indebtedness of the Commission, shall comply in all respects with the applicable laws of the State.

2. The Commission shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Commission under the provisions of the Act and this Bond Resolution, including the exercise of its remedies thereunder.

**Section 818. Tax Covenant.** 1. The Commission covenants to maintain the exclusion from gross income for Federal income tax purposes of interest on the Bonds which are issued as Tax Exempt Obligations, to the extent that Bond Counsel has rendered an opinion to the effect

that, subject to the conditions and qualifications contained in the Leases, interest on the Bonds is excludable from gross income for Federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the Commission will, among other things, comply with the instructions as to compliance with rebate contained in the tax certificate delivered by the Commission as of the date of, and with respect to, the first issuance and delivery of the Bonds, as a source of guidance for achieving compliance with the Code. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as is necessary in order to maintain the exclusion from gross income for Federal income tax purposes of interest on each of the Bonds, the covenants contained in this Section 820 shall survive the payment or discharge thereof pursuant to Section 1301 of this Bond Resolution.

2. The Commission hereby particularly covenants and agrees with the Holders of the Bonds which are issued as Tax Exempt Obligations that (a) no part of the proceeds which are derived from the sale of any Series of the Bonds which are issued as Tax-Exempt Obligations shall (i) constitute private activity bonds under Section 141 of the Code, or (ii) be used directly or indirectly to acquire any "investment property", as such term is defined in the Code, or any securities or obligations the acquisition of which would cause any such Bond to be an "arbitrage bond", as such term is defined in Section 148 of the Code (an "Arbitrage Bond"), and (b) it will not take, and shall to the extent reasonably possible prohibit all other persons from taking, any actions which, if taken, would cause any such Bond to be an "Arbitrage Bond".

**Section 819. Continuing Disclosure.** Pursuant to the Leases, the County has undertaken all responsibility for compliance with continuing disclosure requirements, and the Commission shall have no liability to the Bondholders or any other person with respect to SEC. Rule 15c-12. Notwithstanding any other provision of this Bond Resolution, failure of the County or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, shall) or any Bondholder or Beneficial Owner may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County or the Trustee, as the case may be, to comply with its obligations under this Section 821. For purposes of this Section 821, "Beneficial Owner" means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for Federal income tax purposes.

## ARTICLE IX

### REMEDIES OF BONDHOLDERS

**Section 901. Events of Default.** The following events shall constitute an Event of Default under this Bond Resolution:

(i) if default shall be made by the Commission in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, as applicable;

(ii) if default shall be made by the Commission in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor, when and as such interest installment or Sinking Fund Installment shall become due and payable;

(iii) if default shall be made by the Commission in the performance or observance of any other of the covenants, agreements or conditions on its part in this Bond Resolution (other than Section 821 hereof) or in the Bonds contained, and such default shall continue for a period of sixty (60) days after written notice thereof to the Commission by the Trustee or to the Commission and to the Trustee by the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding;

(iv) if the Commission shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of its properties and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(v) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Commission in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Commission, of its properties and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Commission and its affairs or a decree or order finding or determining that the Commission is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days;

then, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds of a particular Series shall have already become due and payable, the Trustee by notice in writing to the Commission may, with the consent of the County unless such Event of Default arises under Section 901(iii) hereof in which case no County consent shall be necessary, or upon receipt of a direction in writing from the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding, shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Bond Resolution or in any of the Bonds contained to the contrary notwithstanding.

The right of the Trustee or of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest (to the extent permitted by law) and the reasonable and proper fees, charges, expenses and liabilities of the Trustee, and all other sums then payable by the Commission and the County under this Bond Resolution (except the principal of, and interest accrued since the next preceding Interest Payment Date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Commission and the County or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under this Bond Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, by written notice to the Commission, the County and the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, then any such declaration shall *ipso facto* be deemed to be rescinded and any such default shall *ipso facto* be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

**Section 902. Accounting and Examination of Records After Default.** 1. The Commission covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record, papers and accounts of the Commission shall at all times be subject to the inspection and use of the County and the Trustee and its agents and attorneys and the Holders of the Bonds or their representatives duly authorized in writing.

2. The Commission covenants that if an Event of Default shall have happened and shall not have been remedied, the Commission, upon demand of the Trustee, will account as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Bond Resolution for such period as shall be stated in such demand.

**Section 903. Application of Pledged Property After Default** 1. The Commission covenants that if an Event of Default shall happen and shall not have been remedied, the Commission, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee (a) forthwith, all Pledged Property then held by the Commission under this Bond Resolution, and (b) all Revenues, if any, which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

2. During the continuance of an Event of Default, the Trustee shall apply the Pledged Property, including all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article together with all Funds held by the Trustee under this Bond Resolution as follows and in the following order:

(i) Expenses of Fiduciaries -- to the payment of the reasonable and proper fees (including reasonable attorneys' fees), charges, expenses and liabilities of the Fiduciaries;

(ii) Principal and Interest -- to the payment of the interest and principal then due on the Bonds, as follows:

(a) unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: Interest -- To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal -- To the payment to the persons entitled thereto of the unpaid principal and Sinking Fund Installment of any Bonds which shall have become due in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

3. Whenever all overdue installments of all Bonds, together with the reasonable and proper charges, fees (including reasonable attorneys' fees), expenses and liabilities of the Trustee, and all other sums payable by the Commission under this Bond Resolution, including the principal of and accrued unpaid interest on all Bonds which shall then be payable, by declaration or otherwise shall either be paid by or for the account of the Commission, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under this Bond Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Commission all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Bond Resolution to be deposited or pledged, with the Trustee) and thereupon the Commission, and the Trustee shall be restored, respectively, to their former positions and rights under this Bond Resolution. No such payment over to the Commission by the Trustee nor such restoration of the Commission and the Trustee to their former positions and rights shall

extend to or affect any subsequent default under this Bond Resolution or impair any right consequent thereon.

**Section 904. Proceedings Brought by Trustee.** 1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may, with the consent of the County unless such Event of Default arises under Section 901(iii) hereof in which case no County consent shall be necessary, proceed, and upon written request of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under this Bond Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Commission as if the Commission were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Bond Resolution.

2. All rights of action under this Bond Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Holders of fifty-one percent (51%) in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Bond Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Bond Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding and furnished with adequate security and indemnity satisfactory to the Trustee, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Bond Resolution by any acts which may be unlawful or in violation of this Bond Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

**Section 905. Restrictions on Bondholder's Action.** 1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement

of any provision of this Bond Resolution or the execution of any trust under this Bond Resolution or for any remedy under this Bond Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article IX, and the Holders of at least fifty-one percent (51%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Bond Resolution or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to the Trustee against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the pledge created by this Bond Resolution, or to enforce any right under this Bond Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Bond Resolution shall be instituted, had and maintained in the manner provided in this Bond Resolution and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 902 hereof.

2. Nothing contained in this Bond Resolution or in the Bonds shall affect or impair the obligation of the Commission, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed, the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bond.

**Section 906. Remedies Not Exclusive.** No remedy by the terms of this Bond Resolution conferred upon or reserved to the Trustee, or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bond Resolution or existing at law or in equity or by statute on or after the date of execution and delivery of this Bond Resolution.

**Section 907. Effect of Waiver and Other Circumstances.** 1. No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

2. Prior to the declaration of maturity of the Bonds as provided in Section 901 hereof, the Holders of fifty-one percent (51%) in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under this Bond Resolution and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

**Section 908. Notice of Default.** The Trustee shall promptly mail written notice of the occurrence of any Event of Default of which the Trustee has actual knowledge to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Commission. The Trustee shall also give prompt notice of the occurrence of a payment event of default of the County or an Event of Default of which the Trustee has actual knowledge to the Commission, the County and the Paying Agent. For purposes of this Section, the Trustee will be deemed to have actual knowledge only if an officer of the corporate trust department of the Trustee has actual knowledge.

**Section 909. Notice to Trustee to Exercise Remedies Under Lease.** The Commission covenants that if an event of default under the respective Leases of the County shall occur and be continuing, it will not exercise any of such remedies set forth in the respective Leases without the written consent of the Trustee, which consent shall not be unreasonably withheld.



ARTICLE X  
CONCERNING THE FIDUCIARIES

**Section 1001. Trustee; Appointment and Acceptance of Duties.** TD Bank, National Association is hereby appointed Trustee under this Bond Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the Commission a written acceptance thereof, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in this Bond Resolution.

**Section 1002. Paying Agents; Appointment and Acceptance of Duties; Bond Registrar.**

1. The Commission shall appoint one or more Paying Agents for the Bonds, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 1013 hereof for a successor Paying Agent. The Trustee is hereby appointed a Paying Agent.

2. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Commission for the payment of the interest on and principal or Redemption Price of the Bonds.

3. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the Commission and to the Trustee a written acceptance thereof. No Paying Agent shall be liable for the acts or omissions of any other Paying Agent.

4. The Commission shall appoint a Bond Registrar, which shall be the Trustee. The Bond Registrar shall have the duties and the responsibilities provided in this Bond Resolution. The Bond Registrar shall accept the responsibilities of a Bond Registrar hereunder with respect to all Bonds by executing a certificate to be delivered to the Trustee and the Commission.

**Section 1003. Responsibilities of Fiduciaries.** 1. The recitals of fact contained herein and in the Bonds shall be taken as the statements of the Commission and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Bond Resolution or of any Bonds issued hereunder or as to the security afforded by this Bond Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee or Bond Registrar shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of this Bond Resolution to the Commission or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions

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directors, officers, employees and agents of each Fiduciary harmless against any losses, liabilities, expenses and fees which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to such Fiduciary's gross negligence or willful misconduct. The provisions of this Section shall survive the payment of the Bonds pursuant to Section 1301 hereof.

**Section 1006. Certain Permitted Acts.** Any Fiduciary, individually or otherwise, may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Bond Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding. To the extent permitted by law, any Fiduciary may provide banking, financial and similar services to the Commission.

**Section 1007. Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties created by this Bond Resolution by giving not less than sixty (60) days prior written notice thereof to the Commission, and mailing notice thereof to the Holders of Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless (i) previously a successor shall have been appointed by the Commission or the Bondholders as provided in Section 1009 hereof, in which event such resignation shall take effect immediately on the appointment of such successor, or (ii) a successor shall not have been appointed by the Commission or the Bondholders as provided in Section 1009 hereof on such date, in which event such resignation shall not take effect until a successor is appointed.

**Section 1008. Removal of the Trustee.** The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Commission. So long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time without cause by a resolution of the Commission filed with the Trustee.

**Section 1009. Appointment of Successor Trustee.** 1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Commission by a duly executed written instrument signed by an Authorized Commission Representative, but if the Commission does not appoint a successor Trustee within sixty (60) days, then by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Commission, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and

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of paragraph 2 of this Section 1003, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own gross negligence or willful misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Bond Resolution, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 1003 and Section 1004 hereof.

**Section 1004. Evidence on Which Fiduciaries May Act.** 1. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Bond Resolution and shall be protected in acting upon any such instrument believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Commission, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Bond Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Bond Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Commission Representative, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Bond Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

3. Except as otherwise expressly provided in this Bond Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Commission to any Fiduciary shall be sufficiently executed in the name of the Commission when signed by an Authorized Commission Representative.

**Section 1005. Compensation.** The Commission shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under this Bond Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including without limitation those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Bond Resolution, in accordance with the agreements made from time to time between the Commission and the Fiduciary, and subject to the rights of Bondholders hereunder, the Trustee and each Paying Agent shall have a lien thereon on any and all funds at any time held by it under this Bond Resolution. Subject to the provisions of Section 1003 hereof, the Commission further agrees to indemnify and save each Fiduciary and the

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delivered to such successor Trustee, notification thereof being given to the Commission and the predecessor Trustee. After such appointment of a successor Trustee, the Commission shall mail notice of any such appointment by it or by the Bondholders to the registered owners of the Bonds then Outstanding and to Moody's, Standard & Poor's and Fitch if the Bonds are then rated by such rating agency or agencies.

2. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Commission written notice as provided in Section 1007 hereof or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section 1009 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$100,000,000 if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Bond Resolution.

**Section 1010. Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under this Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Commission, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Commission or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property, rights, interests and estates held by it under this Bond Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Commission be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Commission. Any such successor Trustee shall promptly notify the Paying Agents and Bond Registrar of its appointment as Trustee.

**Section 1011. Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United

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States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Bond Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**Section 1012. Adoption of Authentication.** In case any of the Bonds contemplated to be issued under this Bond Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and delivering such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Bond Resolution provided that the certificate of the Trustee shall have.

**Section 1013. Resignation or Removal of Paying Agent or Bond Registrar and Appointment of Successor.** 1. Any Paying Agent or Bond Registrar may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving at least sixty (60) days prior written notice thereof to the Commission, the Trustee and the Paying Agent or Bond Registrar, as applicable. Any Paying Agent or Bond Registrar may be removed by the Commission at any time by an instrument filed with such Paying Agent or Bond Registrar and the Trustee and signed by an Authorized Commission Representative. Any successor Paying Agent or Bond Registrar shall be appointed by the Commission with the approval of the Trustee and shall be a commercial bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Bond Resolution.

2. In the event of the resignation or removal of any Paying Agent or Bond Registrar, such Paying Agent or Bond Registrar shall pay over, assign and deliver any moneys held by it as Paying Agent or Bond Registrar to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent or Bond Registrar, the Trustee shall act as such Paying Agent or Bond Registrar.

notice, and specify and determine the matters and things relative to the issuance of such certificated or book-entry form Bonds as are appropriate or necessary;

(7) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Bond Resolution, of the Revenues or of any other moneys, securities or funds;

(8) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Bond Resolution of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; and

(9) To modify any of the provisions of this Bond Resolution in any other respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such modification shall become effective prior to the authentication and delivery of the first Bond authorized to be issued pursuant to this Bond Resolution, each Supplemental Resolution shall be specifically referred to in the text of all Bonds authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof.

**Section 1102. Supplemental Resolutions Effective Upon Consent of Trustee and the County.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee and the County of a copy thereof certified by an Authorized Commission Representative, and (ii) the filing with the Trustee, the County and the Commission of instruments in writing made by the Trustee and the County consenting thereto, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Bond Resolution; or

(2) To insert such provisions clarifying matters or questions arising under this Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with this Bond Resolution as theretofore in effect.

**Section 1103. Supplemental Resolutions Effective With Consent of the County and Bondholders.** At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the County and Bondholders and in accordance with and subject to the provisions of Article XII hereof, which Supplemental Resolution, upon the filing with the Trustee and the County of a copy thereof certified by an Authorized Commission Representative and upon compliance with the provisions of said Article XII, shall become fully effective in accordance with its terms as provided in said Article XII upon the filing with the Trustee of a copy thereof certified by an Authorized Commission Representative and upon compliance with the provisions of said Article XII.

ARTICLE XI  
SUPPLEMENTAL RESOLUTIONS

**Section 1101. Supplemental Resolutions Effective Upon Filing With the Trustee.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Commission may be adopted, which, upon (i) the filing with the Trustee and the County of a copy thereof certified by an Authorized Commission Representative and (ii) the filing with the Trustee and the Commission of an instrument in writing made by the County consenting thereto, shall be fully effective in accordance with its terms:

(1) To close this Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Bond Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(2) To add to the covenants and agreements of the Commission in this Bond Resolution, other covenants and agreements to be observed by the Commission which are not contrary to or inconsistent with this Bond Resolution, as theretofore in effect;

(3) To add to the limitations and restrictions in this Bond Resolution, other limitations and restrictions to be observed by the Commission which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect;

(4) To authorize Refunding Bonds of a Series and, in connection therewith, specify and determine, or delegate to an Authorized Commission Representative the power to specify and determine, the matters and things referred to in Sections 202 and 205(2) hereof and also any other matters and things relative to such Refunding Bonds which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Refunding Bonds;

(5) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of coupon Bonds and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given hereunder to the Holders of such coupon Bonds, which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(6) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of fully registered Bonds issued and held in certificated or book-entry form on the books of the Commission, any Fiduciary or custodian appointed for that purpose by the Commission and, in connection therewith, make such additional changes herein, not adverse to the rights of the Holders of the Bonds, as are necessary or appropriate to accomplish or recognize such certificated or book-entry form Bonds, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, this Bond Resolution relating to the giving of

**Section 1104. General Provisions.** 1. This Bond Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article XI and Article XII hereof. Nothing contained in this Article XI or Article XII hereof shall affect or limit the right or obligation of the Commission to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 804 hereof or the right or obligation of the Commission to execute and deliver to any Fiduciary any instrument which elsewhere in this Bond Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1101 and 1102 hereof may be adopted by the Commission without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution, has been duly and lawfully adopted in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Commission and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 1101, 1102 or 1103 hereof and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of this Bond Resolution.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.



ARTICLE XII

AMENDMENTS

**Section 1201. Mailing and Publication.** 1. Any provision in this Article for the mailing of a notice or other matter to Bondholders by the Commission shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the Commission, (ii) to the County and (iii) to the Trustee. If the Bonds are rated by Moody's, Standard & Poor's or Fitch, then the Commission shall give notice to the rating agency or agencies that rated the Bonds of any material amendments to this Bond Resolution.

2. Any provision in this Article for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper of the Commission.

**Section 1202. Powers of Amendment.** Any modification or amendment of this Bond Resolution and of the rights and obligations of the Commission and of the Holders of the Bonds hereunder in any particular, may be made by a Supplemental Resolution with the written consent, given as provided in Section 1203 hereof, of the County and the Holders of at least fifty-one percent (51%) in principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or in the rate of interest thereon without the consent of the County and the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the County and the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. The Trustee may in its discretion determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular maturity would be affected by any modification or amendment of this Bond Resolution and any such determination shall be binding and conclusive on the Commission and all Holders of Bonds.

**Section 1203. Consent of County and Bondholders.** The Commission may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1202 hereof to take effect when and as provided in this Section 1203. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto approved by the Trustee), together with a request to the County and the Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Commission to the County and the Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 1203 provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of the County and the Holders of the percentages of Outstanding Bonds specified in Section 1202 hereof and (b) an opinion of Bond Counsel stating

that such Supplemental Resolution has been duly and lawfully adopted and filed by the Commission in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Commission and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (ii) a notice shall have been given as hereinafter in this Section 1203 provided. The consent of the County shall be effective if given by written instrument and the consent of the Holders of the Bonds shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1303 hereof. A certificate or certificates executed by the Trustee and filed with the Commission and the County stating that it has examined such proof and that such proof is sufficient in accordance with Section 1303 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the County and the Holder of the Bonds giving such consent and, anything in Section 1303 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1203 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer, of such revocation in the manner permitted by this Section 1203. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Commission to the effect that no revocation thereof is on file with the Trustee. At any time after the County and the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Commission a written statement that the County and the Holders of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Commission on a stated date, a copy of which is on file with the Trustee) has been consented to by the County and the Holders of the required percentages of Bonds and will be effective as provided in this Section 1203, may be given to Bondholders by the Commission by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1203 provided). The Commission shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 1203 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Commission, the County, the Trustee and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Commission during such forty (40) day period and any such further period during which any such action or proceeding may be binding shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

**Section 1204. Modifications by Unanimous Consent.** The terms and provisions of this Bond Resolution and the rights and obligations of the Commission, the County and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Commission of a Supplemental Resolution and the consents of the County and the Holders of all of the Bonds then Outstanding, such consents to be given as provided in Section 1203 hereof, except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary, of the County and of the Bondholders.

**Section 1205. Exclusion of Bonds.** Bonds owned or held by or for the account of the Commission shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XII, and the Commission shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Commission shall furnish the Trustee a certificate of an Authorized Commission Representative, upon which the Trustee may rely, describing all Bonds so to be excluded.

**Section 1206. Notation on Bonds.** Bonds authenticated and delivered after the effective date of any action taken as in Article XI hereof or this Article XII provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Commission and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Commission or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Commission to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XIII

MISCELLANEOUS

**Section 1301. Defeasance.** 1. If, subject to the provisions set forth in the next succeeding sentence, the Commission shall pay or cause to be paid, or there shall otherwise be paid, to or for the account of the Holders of all Bonds the principal, redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Bond Resolution, then the pledge of the Pledged Property, any Revenues, and other moneys and securities pledged under this Bond Resolution and all covenants, agreements and other obligations of the Commission to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Commission to be prepared and filed with the Commission and, upon the request of the Commission, shall execute and deliver to the Commission all such instruments as may be desirable to evidence such discharge and satisfaction, the Fiduciaries shall pay over or deliver to the Commission the Funds and Accounts and all moneys or securities held by them pursuant to this Bond Resolution which are not required for the payment of principal, redemption premium, if any, and interest on Bonds not theretofore surrendered for such payment or redemption. If the Commission shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Outstanding Bonds of a particular maturity or particular Bonds within a maturity, the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under this Bond Resolution, and all covenants, agreements and obligations of the Commission to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Principal and/or interest installments for the payment or redemption of which moneys or Investment Securities shall have been set aside and shall be held in trust by the Trustee or Paying Agents (through deposit by the Commission of funds for such payment or redemption or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph 1 of this Section. Subject to the provisions of paragraph 3 through paragraph 5 of this Section, any Outstanding Bonds shall, prior to the maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph 1 of this Section if (a) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient in either case, as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trust and to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be and (b) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Commission shall have given the Trustee, in form satisfactory to it, instructions to mail as provided in Article IV hereof a notice to the Holders of such Bonds that

the deposit required by (a) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1301 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraph 6 of this Section 1301, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds, and (c) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Commission shall have given to the Trustee, in form satisfactory to it, instructions to mail as provided in Article IV hereof notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Commission or purchased or otherwise acquired by the Commission and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date. Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. For purposes of this Section 1301 only, the term Investment Securities shall mean only those Investment Securities described in clause (1) of the definition of Investment Securities contained in Section 101 hereof unless the Commission shall have received written confirmation from Moody's, if the Bonds are then rated by Moody's, Standard & Poor's, if the Bonds are then rated by Standard & Poor's, and Fitch, if the Bonds are then rated by Fitch, that defeasance with Investment Securities other than those described in clause (1) of the definition in Section 101 hereof will result in the Bonds being rated in the highest investment grade or category of each such rating agency.

The Trustee shall, if so directed by the Commission prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or prior to the maturity date of any Bonds deemed to have been paid in accordance with this Section 1301 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trustee) to pay when due the Principal Installment, redemption premium, if any, and interest due or to become due on all Bonds, in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or Bonds which are to be redeemed prior to their maturity date, the Commission shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Commission to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301. The directions given by the Commission to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against

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the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 1301 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 1301 such amount is in excess (as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trustee) of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy subclause (a) of this paragraph 2 of Section 1301, the Trustee shall, after having paid all amounts (to the extent available), if requested by the Commission, pay the amount of such excess to the Commission free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution.

Except as otherwise provided in this paragraph 2 of Section 1301 and in paragraph 3 through paragraph 5 of this Section 1301, neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, redemption premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required (as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trustee) at any time for such purpose, after having paid all amounts (to the extent available) due and owing to the County, shall be paid over to the Commission as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Bond Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trustee) to pay when due the principal, redemption premium, if any, and interest to become due on said Bonds on or prior to such maturity date thereof, as the case may be, and interest earned from such reinvestment, after having paid all amounts (to the extent available) shall be paid over to the Commission, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution. For the purposes of this Section, Investment Securities shall mean and include only (x) such securities as are described in this paragraph 1301(2) which shall not be subject to redemption prior to their maturity other than at the option of the Holder thereof, (y) such securities as are described in this paragraph 1301(2) which shall not be subject to redemption prior to their maturity other than at the option of the Holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Holder thereof, or (z) upon compliance with the provisions of paragraph 3 of this Section 1301, such securities as are described in this paragraph 1301(2) which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. Investment Securities described in clause (z) of paragraph 2 of this Section 1301 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (a) of paragraph 2 of this Section 1301 only if the determination as to whether the moneys and Investment Securities to be deposited with the Trustee in order to satisfy

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the requirements of such clause (a) would be sufficient to pay when due either on the maturity date or the redemption date thereof, the principal, redemption premium, if any, and interest on the Bonds which will be deemed to have been paid as provided in paragraph 2 of this Section 1301 is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumption that such Investment Securities would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

4. In the event after compliance with the provisions of paragraph 3 of this Section 1301 the Investment Securities described in clause (z) of paragraph 2 of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (a) of paragraph 2 of this Section 1301 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Commission, provided that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into consideration any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Commission in accordance with paragraph 3 of this Section 1301, shall at all times be sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Commission, the County and the Trustee) to satisfy the requirements of clause (b) of paragraph 2 of this Section 1301, shall reinvest the proceeds of such redemption in Investment Securities.

5. In the event that after compliance with the provisions of paragraph 4 of this Section 1301 the Investment Securities described in clause (z) of paragraph 2 of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (a) of paragraph 2 of this Section 1301, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Commission, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Commission be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1301 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of paragraph 2 of this Section 1301 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Securities on deposit with the Trustee including any Investment Securities or redemption proceeds in accordance with paragraph 5 of this Section 1301 pursuant to clause (a) of paragraph 2 of this Section 1301 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with paragraph 2 of this Section 1301 which have not as yet been paid.

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6. If the Bonds are rated by Moody's, Standard & Poor's and/or Fitch, then the Commission shall give notice to the rating agency or agencies that rated the Bonds of any defeasance of all or any of the Bonds following such defeasance.

**Section 1302. Unclaimed Funds.** 1. Anything in this Bond Resolution to the contrary notwithstanding, but subject to any provision of State law to the contrary, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, at their stated maturity dates, if such moneys were held by the Fiduciary after the said date, or for two (2) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, after all amounts due and owing to the County, to the extent there are any moneys available therefor, have been paid as provided in paragraph 2 of this Section 1302, at the written request of the Commission, be repaid by the Fiduciary to the Commission, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Commission for the payment of such Bonds; provided, however, that before being required to make any such payment to the County or the Commission, the Fiduciary shall, at the expense of the Commission, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Commission, except as set forth in paragraph 2 below.

**Section 1303. Evidence of Signatures of Bondholders and Ownership of Bonds.**

1. Any request, consent, revocation of consent or other instrument which this Bond Resolution may require or permit to be signed and executed by the Bondholders may be signed or executed in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds shall be sufficient for any purpose of this Bond Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

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(2) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be provided by the registry books.

3. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Commission or any Fiduciary in accordance therewith.

**Section 1304. Moneys Held for Particular Bonds.** The amounts held by any Fiduciary for the payment of the interest or principal due on any date with respect to particular Series of Bonds or for particular Bonds within such Series of Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

**Section 1305. Preservation and Inspection of Documents.** All documents received by any Fiduciary under the provisions of this Bond Resolution shall be retained in its possession for a period of seven (7) years and shall be subject at all reasonable times to the inspection of the Commission, any other Fiduciary and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

**Section 1306. Parties Interest Herein.** Nothing in this Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Commission, the County, the Fiduciaries and the Holders of the Bonds, any right, remedy or claim under or by reason of this Bond Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Bond Resolution contained by and on behalf of the Commission shall be for the sole and exclusive benefit of the Commission, the County, the Fiduciaries and the Holders of the Bonds.

**Section 1307. No Recourse on the Bonds.** No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond Resolution against any member or officer of the Commission, the County, or any person executing the Bonds.

**Section 1308. Publication of Notice; Suspension of Publication.** 1. Any publication to be made under the provisions of this Bond Resolution in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

2. If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to this Bond Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

**Section 1309. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in this Bond Resolution on the part of the Commission or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Bond Resolution.

**Section 1310. Holidays.** Except with respect to the computation of a Record Date, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Bond Resolution, shall be a legal holiday or a day on which banking institutions in the municipality in which is located the principal office of the Trustee or the operational office of the Commission are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Bond Resolution, and no interest shall accrue for the period after such nominal date.

**Section 1311. Notices and Demands.** All notices, demands or other communications provided for in this Bond Resolution shall be in writing and shall be by facsimile transmission (with written confirmation of receipt) followed by hard copy sent by personal delivery or certified or registered mail or by recognized overnight delivery, to (i) the County as set forth in a certificate delivered by the Commission to the Trustee upon delivery of the Bonds, (ii) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey, 08065, Attn: Executive Director, (iii) the County at 49 Rancocas Road, Mt. Holly, New Jersey 08060, Attn: County Treasurer and (iv) the Trustee at 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034 Attn: Corporate Trust Department, or to such other representatives or addresses as the Commission, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

**Section 1312. Headings.** The Article and Section headings in this Bond Resolution are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Bond Resolution.

**Section 1313. Governing Law.** This Bond Resolution shall be governed by and construed in accordance with the laws of the State.

**Section 1314. Separate Financing.** Nothing contained in this Bond Resolution shall be construed to prevent the Commission from acquiring, constructing or financing through the issuance of its bonds, notes, or other evidences of indebtedness any other public facilities or from securing such bonds, notes or other evidences of indebtedness by a mortgage of such public facilities so financed or by a pledge of, or other security interest in, the revenues thereunder or any lease or other agreement with respect thereto or any revenues derived from such lease or other agreement; provided that such bonds, notes, or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund held under this Bond Resolution and neither the cost of such public facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund hereunder.

#### ARTICLE XIV

#### BOND FORMS AND EFFECTIVE DATE

**Section 1401. Form of Bonds.** Subject to the provisions of this Bond Resolution, the form of each Series of Bonds shall be substantially as follows:

UNITED STATES OF AMERICA  
STATE OF NEW JERSEY  
BURLINGTON COUNTY BRIDGE COMMISSION

LEASE REVENUE [BOND][NOTE]  
(2017 COUNTY LEASING PROGRAM), SERIES 2017

INTEREST RATE PER ANNUM	DATED DATE	MATURITY DATE	DATE OF AUTHENTICATION	CUSIP NUMBER
%	20__	1, ____, 1, 20__	____, 20__	

REGISTERED OWNER:

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

THE BURLINGTON COUNTY BRIDGE COMMISSION (hereinafter called the "Commission"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to the REGISTERED OWNER stated above, or registered assigns, the PRINCIPAL SUM stated above, on the MATURITY DATE stated above or on the date fixed for redemption, as the case may be, together with interest on such PRINCIPAL SUM from the date of this Bond (as hereinafter defined) until the Commission's obligation with respect to the payment of such PRINCIPAL SUM shall be discharged, at the INTEREST RATE PER ANNUM [stated above on \_\_\_\_\_ 1, 2017, and semiannually thereafter on the first days of \_\_\_\_\_ and \_\_\_\_\_]. [stated above on \_\_\_\_\_, 2018 if issued as a Note.] This Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of TD Bank, National Association. Interest on this Bond will be payable by check or draft which will be mailed or shall be by wire transfer to the Registered Owner hereof whose name shall appear on the registration books of the Commission which shall be kept and maintained by the Bond Registrar hereinafter mentioned, as determined on the fifteenth day of \_\_\_\_\_ and \_\_\_\_\_ (whether or not a Business Day) (the "Record Date"); provided however, that a Registered Owner of \$1,000,000 or more in principal amount of Bonds shall be entitled, upon five (5) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds. Payment of the principal of and interest on this Bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the duly authorized issue of revenue bonds, each designated as "Lease Revenue Bonds (2017 County Leasing Program), Series 2017" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount of \$ \_\_\_\_\_ and authorized and issued under and pursuant to the Self-Liquidating Bridges Act, P.L. 1934, c.17, as amended, and

under and in accordance with a resolution of the Commission duly adopted August \_\_, 2017 entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of Lease Revenue Bonds (2017 County Leasing Program), Series 2017" (the "Resolution") and the Series Certificate (as defined in the Resolution). Copies of the Resolution are on file in the office of the Commission in Palmyra, New Jersey and at the principal corporate trust office of TD Bank, National Association (the "Trustee"), as trustee under the Resolution.

This Bond is a direct, limited and special obligation of the Commission payable from and secured by alien on the Pledged Property of the Commission, as such term is defined in the Bond Resolution, and from any other moneys pledged therefor under the Bond Resolution; provided, however, that the power and obligation of the Commission to cause application of such Pledged Property and other funds to the payment of the principal or redemption price of and the interest on the Bonds is subject to the terms of the Bond Resolution.

The Bonds are issued in the form of Registered Bonds without coupons in book-entry form only in the denomination of \$5,000 or any integral multiple thereof.

As defined in the Bond Resolution, and for purposes of this Bond, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State of New Jersey or the State of New York or a day on which the Trustee, the Bond Registrar, the Commission or any Paying Agent is legally authorized to close. All other terms used herein which are not defined shall have the meanings ascribed to such terms in the Bond Resolution.

The Bonds maturing on and after \_\_\_\_\_ 1, 20\_\_ are subject to redemption prior to maturity at the option of the Commission, on or after \_\_\_\_\_ 1, 20\_\_, upon notice to the Registered Owner hereof as hereinafter provided, as a whole at any time or in part from time to time, in such order of maturities as selected by the Commission at the respective redemption prices (expressed as percentages of the principal amount of the Bonds or portions thereof to be redeemed) set forth below for the applicable redemption period, together with interest accrued thereon, to the date fixed for redemption:

Optional Redemption Period (Both Dates Inclusive)	Redemption Price
_____ 1 20__ to _____ 31, 20__	_____%
_____ 1 20__ to _____ 31, 20__	_____%
_____ 1 20__ and thereafter	_____%

If less than all of the Bonds of like maturity Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Bond Resolution.

Notice of each optional or mandatory redemption of the Bonds shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the Registered Owner hereof, in accordance with the provisions of the Bond Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date therein designated, and if, on the redemption date,

moneys for payment of the Redemption Price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption. So long as this Bond is registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., notice of redemption shall be mailed by the Trustee to DTC or its nominee, and the Trustee shall not be required to mail notices of redemption to any other person or entity.

Pursuant to the Bond Resolution, the Commission may hereafter issue refunding bonds (herein called "Refunding Bonds") for the purposes, in the amounts and on the conditions prescribed in the Bond Resolution. All bonds issued and to be issued under the Bond Resolution, including Refunding Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the Bond Resolution except as otherwise provided in or pursuant to the Bond Resolution.

To the extent and in the respects permitted by the Bond Resolution, the provisions of the Bond Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Commission in the manner and subject to the conditions and exceptions which are set forth in the Bond Resolution. The pledge of the Pledged Property and other obligations of the Commission under the terms of the Bond Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This Bond is transferable, as provided in the Bond Resolution, only upon the registration books of the Commission which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, National Association (the "Bond Registrar"), as registrar under the Bond Resolution, or its successor as Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Commission shall issue in the name of the transferee a new registered Bond or Bonds, of the same aggregate principal amount and series designation, maturity and interest rate as the surrendered Bond as provided in the Bond Resolution, upon payment of the charges therein prescribed. The Commission, the Trustee, the Bond Registrar and any Paying Agent of the Commission may treat and consider the person in whose name this Bond is registered as the Holder and absolute owner of this Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes whatsoever.

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE COMMISSION NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF.

THE BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY SUBDIVISION THEREOF OTHER

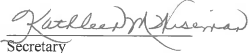
THAN THE COMMISSION AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION OTHER THAN THE COMMISSION, AND EITHER LEGAL, MORAL OR OTHERWISE. THE COMMISSION IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, AND INTEREST ON THE BONDS FROM THE REVENUES AND FUNDS PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS.

It is hereby certified and recited that all conditions, acts and things which are required by the Constitution or by the statutes of the State of New Jersey or by the Bond Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the Bonds, together with all other indebtedness of the Commission, are within every debt and other limit prescribed by said Constitution or statutes.

This Bond shall not be entitled to any security or benefit under the terms of the Bond Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been manually executed by the Trustee upon original issuance and thereafter by the Bond Registrar.

IN WITNESS WHEREOF, THE BURLINGTON COUNTY BRIDGE COMMISSION has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman and its corporate seal to be affixed, impressed or reproduced hereon, and this Bond and such seal to be attested by the manual or facsimile signature of its Secretary, all as of the DATED DATE set forth above.

ATTEST:

  
Secretary

THE BURLINGTON COUNTY  
BRIDGE COMMISSION

By:

  
Chairman

[SEAL]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

(PLEASE PRINT OR TYPE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NO. OF ASSIGNEE) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, as Attorney, to transfer the within Bond on the registration books of the Burlington County Bridge Commission with full power of substitution and revocation.

NOTICE: The signature to this assignment must correspond with the name of the registered owner hereof as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

SIGNATURE GUARANTY:

By: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution which is a Participant in a Securities Transfer Association.

**Section 1402. Form of Certificate of Authentication of Trustee or Bond Registrar.** The form of Certificate of Authentication by the Trustee or Bond Registrar on the Bonds shall be substantially as follows:

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the issue of Lease Revenue Bonds (2017 County Leasing Program), Series 2017 of the Burlington County Bridge Commission, described and delivered pursuant to the within mentioned Bond.

\_\_\_\_\_  
as Trustee and Registrar

By: \_\_\_\_\_  
Authorized Signature

**Section 1403. Effective Date.** This Bond Resolution shall take effect immediately upon its adoption in accordance with the Act; provided, however, that in no event shall this Bond Resolution become effective until such date as the Local Finance Board shall render findings in connection with the matters set forth herein, in satisfaction of the provisions of *N.J.S.A. 40A:5A-7*.

EXHIBIT A  
FORM OF EQUIPMENT LEASE

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EXHIBIT B  
FORM OF IMPROVEMENTS LEASE

B-1

**APPENDIX E**  
**COPIES OF THE 2017C-1 LEASES, AS AMENDED BY THE FIFTH AMENDMENTS**  
**TO THE 2017 C-1 LEASES**

2017-1 GOVERNMENTAL LEASING PROGRAM

FIFTH AMENDMENT TO THE  
IMPROVEMENT LEASE AND AGREEMENT

BETWEEN

BURLINGTON COUNTY BRIDGE COMMISSION

AND

THE COUNTY OF BURLINGTON, NEW JERSEY

DATED NOVEMBER \_\_, 2021

THIS FIFTH AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT (the "Fifth Amendment"), dated November \_\_, 2021 by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

WITNESSETH:

WHEREAS, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Commission is authorized by the Act to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease same to governmental units, including the County; and

WHEREAS, the Commission and the County executed an Improvement Lease and Agreement dated December 13, 2017 (the "Original Improvement Lease") for the financing, with a portion of the proceeds of the Series 2017C-1 Notes (as hereinafter defined), of the construction of certain capital improvements and facilities and the leasing thereof to the County, all as more fully described in the County's 2015 Capital Budget and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

WHEREAS, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$12,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2017-1 (the "Series 2017C-1 Notes"); and

WHEREAS, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated December 13, 2017 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2017C-1 Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

WHEREAS, the Series 2017C-1 Notes matured on December 12, 2018; and

WHEREAS, at the direction of the County, the Commission issued \$12,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2018C-1 (the "Series 2018C-1 Notes") to refinance the maturing principal of the Series 2017C-1 Notes; and

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WHEREAS, in connection with the issuance of the Series 2018C-1 Notes, the Commission and the County amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2018C-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2018C-1 Notes allocated to the Equipment Project; and

WHEREAS, the Series 2018C-1 Notes matured on November 28, 2019; and

WHEREAS, on November 21, 2019, the Commission issued its \$25,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2019C-1 (the "Series 2019C-1 Notes") to refinance the maturing principal of the Series 2018C-1 Notes and finance additional costs of the Equipment Project and the Improvement Project; and

WHEREAS, in connection with the issuance of the Series 2019C-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2019C-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2019C-1 Notes allocated to the Equipment Project; and

WHEREAS, the Series 2019C-1 Notes mature on November 20, 2020; and

WHEREAS, on November 12, 2020, the Commission issued its \$11,665,000 principal amount of Project Notes (Governmental Leasing Program), Series 2020C-1 (the "Series 2020C-1 Notes") to refinance the maturing principal of the Series 2019C-1 Notes, together with the proceeds of the Commission's Lease Revenue Bonds, Series 2020C-1; and

WHEREAS, in connection with the issuance of the Series 2020C-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2019C-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment

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Project and the payment by the County of the Basic Rent for the Series 2019C-1 Notes allocated to the Equipment Project; and

WHEREAS, the Series 2020C-1 Notes mature on November 11, 2021; and

WHEREAS, at the direction of the County, the Commission is issuing \$11,665,000.00 principal amount of Project Notes (Governmental Leasing Program), Series 2020 (the "Series 2021C-1 Notes") to refinance a portion of the maturing principal of the Series 2019C-1 Notes and to finance additional costs of (i) the Improvement Project all as more fully described in Exhibit A to this Third Amendment and (ii) the Equipment Project all as more fully described in Exhibit A to the Third Amendment to Improvement Lease and Agreement, dated November \_\_, 2020 (the "Third Amendment to Equipment Lease"), between the Commission and the County; and

WHEREAS, in connection with the issuance of the Series 2021C-1 Notes, the Commission and the County desire to amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2021C-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2021C-1 Notes allocated to the Equipment Project; and

WHEREAS, all actions necessary and required under the Act for the due execution, delivery and performance of this Second Amendment have been taken by the Commission and the County.

NOW, THEREFORE, the parties hereto mutually agree as follows:

Section 1. Amendment to Section 1.1. The following definitions set forth in the Original Improvement Lease is hereby deleted in its entirety and replaced by the following:

"Agreement" shall mean, collectively, the Improvement Lease and Agreement, dated December 13, 2017, by and between the Commission and the County, as amended by the First Amendment to the Improvement Lease and Agreement, dated November 29, 2018, as further amended by the Second Amendment to the Improvement Lease and Agreement, dated November 21, 2019, as further amended by the Third Amendment to the Improvement Lease and Agreement, dated November 12, 2020, and as further amended by the Fourth Amendment to the Improvement Lease and Agreement, dated November 12, 2020, and as further amended by the Fifth Amendment to the Improvement Lease and Agreement, dated November \_\_, 2021 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

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"Improvement Project Allocable Portion" shall mean the \_\_\_\_% of the par amount of the Series C-1 Bond (as defined in the Resolution) issued as the Series 2021C-1 Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2021C-1 Notes, a fee of \$ \_\_\_\_\_. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$ \_\_\_\_\_.

"Lease Payment Date" shall mean with respect to the Series 2017-1 Bonds issued as the Series 2021C-1 Notes, a date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2021C-1 Notes, which date shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Series 2017-1 Notes. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease shall be amended to include the following:

"Fifth Amendment" shall mean this Fourth Amendment to the Improvement Lease and Agreement, dated November \_\_, 2021.

"Series 2021C-1 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2021C-1 authorized and issued on November \_\_, 2021 in the aggregate principal amount of \$ \_\_\_\_\_ .00 pursuant to Section 203 of the Resolution and references in the Original Improvement Lease to the "Series 2017C-1 Notes" shall include the Series 2021C-1 Notes.

**Section 3. References to Official Statement.** References to the term "Official Statement" in Sections 5.2, 6.11 and 7.8 of the Original Improvement Lease shall include the "Official Statement" for the Series 2021C-1 Notes, dated November \_\_, 2021.

**Section 4. Continuing Disclosure.** A new subsection (e) to Section 6.14 of the Original Improvement Lease is hereby added to read as follows:

"(e) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November \_\_, 2020, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2021C-1 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material. (iv) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the 2019A Bonds or the 2019B

Notes, if material; and (v) default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the County, any of which reflect financial difficulties and where "Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule 15c(2)-12 promulgated and adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Fifth Amendment, provided however that the Exhibit A set forth in the Third Amendment to the Improvement Lease shall remain in full force and effect and all references in the Original Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Fifth Amendment, provided however that the Exhibit A set forth in the Third Amendment to the Improvement Lease shall remain in full force and effect and all references in the Original Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 7. Full Force and Effect.** The Original Improvement Lease is hereby further amended to the extent provided in this Second Amendment and, except as specifically provided herein, the Original Improvement Lease shall remain in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by an Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_ Secretary By: \_\_\_\_\_ Authorized Commission Representative

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_ Clerk of the Board of Chosen Freeholders By: \_\_\_\_\_ Authorized County Representative

EXHIBIT A  
AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

2017-1 GOVERNMENTAL LEASING PROJECT

IMPROVEMENT LEASE AND AGREEMENT  
 BETWEEN  
 BURLINGTON COUNTY BRIDGE COMMISSION  
 AND  
 COUNTY OF BURLINGTON, NEW JERSEY  
 DATED DECEMBER 13, 2017

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THIS IMPROVEMENT LEASE AND AGREEMENT (the "Agreement"), dated December 13, 2017, by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

**WITNESSETH:**

**WHEREAS**, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

**WHEREAS**, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

**WHEREAS**, the Commission is authorized by the Act to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease same to governmental units, including the County; and

**WHEREAS**, at the request of the County, the Commission has determined to temporarily finance the costs of, *inter alia*, a project (the "Improvement Project") consisting of the design, acquisition, construction, and installation of certain capital infrastructure improvements for the County, all as more fully described in the County's 2015 Capital Budget and in Exhibit A to this Agreement (collectively, the "Improvements"), with a portion of the proceeds of its Lease Revenue Notes (2017-1 County Leasing Program), Series 2017C-1 in the aggregate principal amount of \$12,000,000 (the "Series 2017C-1 Notes"); and

**WHEREAS**, the Improvements will be acquired, constructed and installed on certain real property located in the County (the "Real Property") described as such in Exhibit A attached hereto and the existing buildings thereon and existing improvements thereto which shall, pursuant to the terms of this Agreement, be leased by the County to the Commission and upon which the Improvements will be constructed by the County and leased by the Commission to the County pursuant to the terms hereof for so long as the Improvement Project Allocable Portion of the Series 2017-1 Bonds remain Outstanding (as such term is defined in the hereinafter defined Resolution); and

**WHEREAS**, the Commission has, by a resolution entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2015 County Leasing Program), Series 2017", duly adopted September 18, 2017, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof (the "Resolution"), authorized the issuance of, *inter alia*, Lease Revenue Bonds or Notes, including the Series 2017C-1 Notes, from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Improvements; and

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**WHEREAS**, the principal portion of the Series 2017-1 Bonds initially issued as Series 2017C-1 Notes allocable to the Improvement Project is \$9,241,315.00 (the "Improvement Project Allocable Portion"); and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Agreement have been taken by the Commission and the County; and

**WHEREAS**, the County has determined to lease the Improvement Project from the Commission pursuant to the terms and conditions set forth herein; and

**WHEREAS**, the Commission will, pursuant to and in accordance with the terms of the Act, provide for the payment of the costs of, *inter alia*, the Improvement Project through the issuance of the Series 2017-1 Bonds and the Debt Service (as hereinafter defined) on the Series 2017-1 Bonds shall be payable in part from Rentals (as hereinafter defined) representing the Improvement Project Allocable Portion to be received from the County pursuant to the terms and conditions set forth herein; and

**WHEREAS**, the Commission and the County agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of this Agreement pursuant to the powers conferred by the Act.

**NOW, THEREFORE**, the parties hereto mutually agree as follows:

**ARTICLE I**

**DEFINITIONS AND GENERAL PROVISIONS**

**SECTION 1.1. Definitions.** The terms that are set forth in this Section shall, unless the context clearly requires otherwise, have the meanings which are set forth below. Terms that are used as defined terms herein but which are not defined herein shall have the meanings which are assigned to such terms in the Resolution (as hereinafter defined). Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"2015 Capital Plan" shall mean the capital budget approved by the County which identifies certain items of equipment and Improvements to be undertaken by or on behalf of the County with an aggregate value that does not exceed \$45,430,737, as same may be amended from time to time.

"Act" shall mean the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State (*N.J.S.A. 27:19-26, et seq.*), and the acts amendatory thereof and supplemental thereto.

"Additional Rent" shall mean all amounts payable by the County to the Commission pursuant to Section 5.1(b) hereof including, but not limited to, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, any amounts in excess of Basic Rent necessary to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2017-1

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"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

"Commission" shall mean the Burlington County Bridge Commission, a public body corporate and politic of the State organized and existing under the Act and created pursuant to a resolution of the Board of Chosen Freeholders of the County adopted on October 22, 1948, and any successor to its duties and functions.

"Commission Administrative Expenses" shall mean the Improvement Project Allocable Portion of any and all expenses of the Commission and its agents, professionals and employees incurred or to be incurred by or on behalf of the Commission in the administration of its responsibilities under the Resolution and this Agreement including, but not limited to, (i) the Initial Commission Financing Fee, (ii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of the Series 2017-1 Bonds, the financing of the Improvement Project or the compelling of the full and punctual performance of the Resolution and this Agreement in accordance with the terms thereof and hereof, and (iii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Registrar, the Trustee or any other Fiduciaries and their counsel in connection with the performance of their respective fiduciary responsibilities under the Resolution and this Agreement, all to the extent not capitalized pursuant to the requirements of the Resolution, which Improvement Project Allocable Portion of the Commission Administrative Expenses shall be paid as Additional Rent by the County.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement among the Commission and the Trustee, acting as dissemination agent, dated December 13, 2017, as the same may be amended or supplemented from time to time.

"Cost" or "Costs" shall mean and be deemed to include, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Agreement, (a) the costs and expenses of the County incurred for labor and materials and payments to contractors, builders and material men in connection with the acquisition, construction and installation of the Improvement Project, the costs of payment of, or reimbursement for, acquisition, installation and financing of the Improvements including, but not limited to, advances or progress payments, installation costs, administrative costs and capital expenditures relating to installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs; (b) the cost of contract bonds and of insurance of any kind that may be required or that may be necessary during the course of construction of the Improvement Project which is not paid by the contractor or contractors or otherwise provided for; (c) the costs and expenses of the County for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties which are required by or which are consequent to the proper construction of the Improvement Project; (d) the Improvement Project Allocable Portion of the fees and charges of the Trustee pursuant to the Resolution, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Commission Financing Fee for the Series 2017-1 Bonds, all professional and consulting fees and charges of the Commission and the County, costs of rating agencies, bond insurance, fees for the printing, execution, transportation and safekeeping

Bonds, all costs and expenses incurred in connection with any purchase of the Improvements constituting the Improvement Project by the County prior to expiration of the Lease Term including reasonable attorneys' fees and verification fees, and all direct and indirect costs and expenses incurred by the Commission and the Trustee related to the enforcement of this Agreement, including reasonable attorneys' fees related thereto.

"Aggregate Debt Service Obligation" shall have the meaning assigned to such term in Section 5.7(b) hereof.

"Agreement" shall mean this Improvement Lease and Agreement, dated December 13, 2017, by and between the Commission and the County, and any and all modifications, alterations, amendments and supplements hereto which are made in accordance with the provisions hereof and the provisions of the Resolution.

"Authorized Commission Representative" shall mean the Chairman, Vice Chairman, Treasurer, Executive Director or any other Person or Persons authorized to act on behalf of the Commission by a written certificate signed on behalf of the Commission by the Chairman or Vice Chairman of the Commission, containing the specimen signature of each such Person.

"Authorized County Representative" shall mean any Person or Persons authorized to act on behalf of the County by a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of Chosen Freeholders, the County Treasurer or the County Chief Financial Officer and containing the specimen signature of each such Person which form of certificate is set forth as Exhibit E annexed hereto and incorporated by this reference herein.

"Authorizing Instrument" shall mean Ordinance No. 2015-00668 duly adopted by the Board of Chosen Freeholders of the County on November 12, 2015 approving and authorizing the execution and delivery of, *inter alia*, this Agreement.

"Basic Rent" shall mean (i) the sum of money representing principal and interest necessary to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2017-1 Bonds, payable by the County on each Lease Payment Date, as set forth in Exhibit B annexed hereto (as same may be amended in connection with the issuance by the Commission of an additional Series of B Bonds, if any) and incorporated by this reference herein and as described in Section 5.1(a) hereof, and (ii) the sum of money required to pay the Improvement Project Allocable Portion of the Redemption Price (as defined in the Resolution), if any, to the extent required to redeem the Series 2017-1 Bonds pursuant to Article IV of the Resolution.

"Bond Counsel" shall mean such lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Commission.

"Bonds" shall mean the Outstanding Series 2017-1 Bonds of the Commission authorized and issued pursuant to Article II of the Resolution, including the Series 2017C-1 Notes.

"Business Day" shall mean any day that is not a Saturday, Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Registrar, any Paying Agent, the Commission or the County is legally authorized to close.

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of the Series 2017-1 Bonds, and any charges and fees in connection with any of the foregoing; (e) all other costs which the County shall be required to pay under the terms of any contract or contracts for the acquisition, construction or installation of the Improvement Project, including, but not limited to, the cost of insurance; (f) any sums which are required to reimburse the County for advances made for any of the above items, or for any other costs which are properly incurred and for work done, which is properly chargeable to the Improvement Project; (g) the Improvement Project Allocable Portion of the deposits in any Fund or Account under the terms of the Resolution, all as shall be provided in the Resolution; (h) the payment of Debt Service on the Series 2017-1 Bonds, whether issued as Bonds or Notes; (i) the Improvement Project Allocable Portion of the Commission Administrative Expenses; and (j) such other expenses which are not specified herein as may be necessary or incidental to the construction, acquisition and installation of the Improvement Project, the financing thereof and the placing of the same in use and operation, including, without limitation, the acquisition, by purchase or lease, of the Real Property. "Cost" or "Costs", as defined herein, shall also include (i) the Improvement Project Allocable Portion of the cost and expenses incurred by any agent of the Commission or the County with respect to any of the above-mentioned items.

"County" shall mean the County of Burlington, New Jersey, a public body corporate and politic of the State.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to the Improvement Project Allocable Portion of the Series 2017-1 Bonds, an amount equal to the sum of (i) interest accruing during such period on such Improvement Project Allocable Portion of the Series 2017-1 Bonds except to the extent such interest is to be paid from deposits made from Series B Bond proceeds into the Improvement Project Account of the Debt Service Fund, if any, and (ii) the amount that is required to pay the Principal Payment due on such Improvement Project Allocable Portion of the Series 2017-1 Bonds during such period. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Debt Service Fund" shall mean the Debt Service Fund created and established in Section 502(5) of the Resolution.

"Debt Service Requirement" with respect to any Bond Payment Date for the Series 2017-1 Bonds shall mean, interest accrued and unpaid and to accrue to such date plus the Principal Amount due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Default" or "Event of Default" shall mean one or more of the events of default as defined in Section 8.1 hereof but not under the Resolution.

"Favorable Opinion of Bond Counsel" shall mean an opinion of Bond Counsel, addressed to the Commission, the Trustee and the County, to the effect that the action proposed to be taken is authorized or permitted by the Resolution and the Act and will not adversely affect the exclusion of interest on the Series 2017-1 Bonds from gross income for purposes of Federal income taxation under Section 103 of the Code.

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"Fiduciary" or "Fiduciaries" shall mean the Trustee, the Paying Agent, the Registrar, the dissemination agent under the Continuing Disclosure Agreement, if any, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean the twelve (12) month fiscal period of the County or the Commission, as applicable.

"Improvement Project" shall mean the design and construction of the Improvements initially financed with the proceeds of the Series 2017-1 Bonds, including the Commission's interest in the Real Property and the construction upon the Real Property of the Improvements, together with all necessary and incidental equipment, apparatus, structures and appurtenances, necessary or desirable for the efficient operation of the Improvement Project, all as described in Exhibit A annexed hereto and incorporated by this reference herein.

"Improvement Project Account" shall mean the respective Accounts of the Project Fund, Revenue Fund, Operating Fund, Proceeds Fund, Debt Service Fund and Rebate Fund established pursuant to Article V of the Resolution.

"Improvement Project Allocable Portion" shall mean, initially, 77.01% of the par amount of the Series 2017-1 Bonds issued as Series 2017C-1 Notes.

"Improvements" shall mean, collectively, the items of capital Improvements described in Exhibit A hereto, as Exhibit A is amended, supplemented and restated from time to time in connection with any capital Improvement constructed by the County as permitted hereunder in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, a capital Improvement then described in Exhibit A.

"Individual Improvement" shall mean each individual Improvement appearing on Exhibit A hereto or an Improvement added pursuant to Section 4.1(b) hereof.

"Initial Commission Financing Fee" shall mean the initial financing fee of the Commission for the Series 2017-1 Bonds, which, as of the date of execution of this Agreement in connection with the issuance of the Series 2017C-1 Notes, shall be in an amount equal to 0.083333% of the par amount of the Series 2017C-1 Notes (\$9,999.60). The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$7,700.79.

"Lease Payment" shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County upon demand pursuant to Section 5.1 hereof, respectively.

"Lease Payment Date" shall mean with respect to the Series 2017-1 Bonds issued as the Series 2017C-1 Notes, December 12, 2018, or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing an additional Series of Series 2017-1 Bonds or a Series of Refunding Bonds, if any, which dates shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Series 2017-1 Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

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"Lease Term" shall mean the duration of the leasehold estate created with respect to the Improvement Project, as specified in Section 3.2 hereof.

"Permitted Encumbrances" shall mean and include:

(a) undetermined liens and charges which are incidental to construction or maintenance, now or hereafter filed on record which are being contested in good faith and which have not proceeded to judgment;

(b) minor defects and irregularities in the title to the Improvement Project which do not in the aggregate materially impair the use of the Improvement Project for the purposes for which it is intended;

(c) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held;

(d) rights reserved to or vested in any county, municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Improvement Project which do not materially impair the use of the Improvement Project for the purposes for which it is intended;

(e) any obligations or duties affecting any portion of the Improvement Project of any county, municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(f) present or future valid zoning laws and ordinances;

(g) this Agreement and the Resolution, as each may be amended and supplemented from time to time in connection with the issuance of any Series of Series 2017-1 Bonds; and

(h) prior or subsequent lease and agreements between the Commission and the County.

"Person" or "Persons" shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

"Plans and Specifications" shall mean the plans and specifications for the Improvement Project, prepared by or on behalf of the County.

"Principal Amount" shall mean, as of any date of calculation, and with respect to any Outstanding Series 2017-1 Bonds the principal amount thereof.

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"Proceeds" shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to the Improvement Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 6.4 of this Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

"Proceeds Fund" shall mean the Proceeds Fund created and established under Section 502(4) of the Resolution.

"Project Fund" shall mean the Project Fund created and established pursuant to Section 502(1) of the Resolution.

"Purchase Option Price" shall have the meaning which is assigned to such term in Section 5.7(b) hereof.

"Real Property" shall mean the real property, as more particularly described in Exhibit A which is attached hereto and which by this reference is made a part hereof as if set forth in full herein, which shall, pursuant to the terms hereof, be leased by the County to the Commission and upon which the Improvements will be constructed by the County.

"Real Property Lease Term" shall mean the duration of the leasehold estate created with respect to the Real Property, as specified in Section 2.2 hereof.

"Rent", "Rental(s)" or "Rental Payment" shall mean the sum of Basic Rent and Additional Rent, which is payable by the County in connection with the lease of the Improvement Project pursuant to the terms of this Agreement.

"Resolution" shall mean the resolution duly adopted by the Commission on September 18, 2017, entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2017-1 County Leasing Program), Series 2017", as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

"Series 2017-1 Bonds" shall mean the Commission's Lease Revenue Bonds or Notes (as defined in the Resolution) issued from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Improvements.

"Series 2017C-1 Notes" shall mean the Commission's Lease Revenue Notes (2017-1 County Leasing Program), Series 2017 authorized and issued on December 13, 2017 in the aggregate principal amount of \$12,000,000 pursuant to Section 203 of the Resolution.

"State" shall mean the State of New Jersey or any successor to its duties and functions.

"Trustee" shall mean, with respect to the Series 2017-1 Bonds, TD Bank, National Association, and its successors or assigns or any other bank, trust company or national banking association appointed trustee pursuant to the Resolution.

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ARTICLE II

PROVISIONS RELATING TO REAL PROPERTY

SECTION 2.1. Lease of Real Property. The County hereby agrees to lease the Real Property, subject to Permitted Encumbrances, to the Commission, and the Commission hereby agrees to take and lease the Real Property, subject to Permitted Encumbrances, from the County, upon the terms and conditions which are set forth in this Agreement for the purpose of financing the Improvement Project Allocable Portion of the Improvement Project.

SECTION 2.2. Duration of Leasehold Estate in the Real Property; Real Property Lease Term. Subject to the provisions of Section 9.10 hereof, the Real Property Lease Term shall commence on the date hereof and shall terminate at such time as the Improvement Project Allocable Portion of the Series 2017-1 Bonds are no longer deemed to be Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the terms of this Agreement for a reason other than the Default of the County of any obligation hereunder, in which case, the Real Property Lease Term shall terminate on the date this Agreement is so terminated.

SECTION 2.3. Title to Real Property. The County has obtained either a leasehold interest in the Real Property for a period which is at least equal to the Real Property Lease Term, or, alternatively, has obtained or will obtain in connection with the construction of the Improvements good and marketable title to the Real Property, free and clear of all liens, charges and encumbrances, except for Permitted Encumbrances.

SECTION 2.4. Payment of Rent. The Commission shall pay to the County, in any coin or currency of the United States of America which at the time of payment constitutes legal tender for the payment of public and private debts, the sum of One Dollar (\$1.00) per year during the Real Property Lease Term.

SECTION 2.5. Use of Real Property. During the Real Property Lease Term, the Commission may enter upon, occupy and use the Real Property in order to complete construction or to cause the County to complete construction of the Improvements thereon.

SECTION 2.6. Quiet Enjoyment of Real Property. During the Real Property Lease Term, the Commission shall have peaceful and quiet use and possession of the Real Property without any hindrance or interference on the part of the County, except as otherwise provided in this Agreement.

ARTICLE III

PROVISIONS RELATING TO LEASE OF IMPROVEMENT PROJECT

SECTION 3.1. Lease of Improvement Project. (a) The Commission hereby agrees to lease the Improvement Project to the County and the County hereby agrees to take and lease the Improvement Project from the Commission, on the terms and conditions which are set forth in this Agreement.

(b) Pursuant to the terms of Article II hereof, the Commission has obtained a leasehold interest in the Real Property for a period which is at least equal to the Lease Term.

SECTION 3.2. Duration of Lease Term. Subject to the provisions of Section 9.10 hereof, the Lease Term shall commence on the date hereof and shall terminate on the first date upon which no Series 2017-1 Bonds are Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the terms of this Agreement for a reason other than the Default of the County of any obligation hereunder, in which case, the Lease Term shall terminate on the date this Agreement is terminated.

ARTICLE IV

CONSTRUCTION OF IMPROVEMENT PROJECT AND ISSUANCE OF Series 2017-1 Bonds

SECTION 4.1. (a) Construction of Improvement Project and Substitution or Addition of Improvements. The Commission will continue to cause the County to complete acquisition, construction and installation of the Improvement Project specified in Exhibit A on the Real Property in accordance with the Plans and Specifications.

The Commission and the County agree that the County is responsible for the letting of contracts for the design, acquisition, construction and installation of the Improvement Project, supervision of construction, acceptance of the completed Improvement Project or parts thereof, and all other matters which are incidental thereto in connection with the acquisition, construction and equipping of the Improvement Project. The County understands and agrees that it will cause such design, acquisition, construction and installation to be completed as soon as may be practicable, but if for any reason such design, acquisition, construction and installation is delayed, there shall be no diminution in or postponement of the amounts which are due and payable by the County under the terms of this Agreement.

Contracts to be let in connection with the design, acquisition, construction and installation of the Improvement Project shall be let in accordance with all applicable State competitive bidding laws and shall have the same general form and content as similar contracts let by the County; provided, however, that all construction contracts entered into by the County shall provide that, upon a termination of this Agreement by reason of the occurrence of an Event of Default, such construction contract may be terminated and the contractor shall be entitled to payment only for the work done prior to such termination. The County agrees that it shall require each contractor engaged in the design, acquisition, construction and installation of the

Improvement Project to provide a performance bond, in an amount which is at least equal to its contract price, as security for the faithful performance of its contract and also a payment bond, in an amount which is not less than one hundred percent (100%) of its contract price, as security for the payment of all Persons performing labor or furnishing materials in connection with such contract. In lieu of furnishing such bonds, the contractor may secure the faithful performance of its contract and secure the payment of all Persons performing labor or furnishing materials in connection with such contract by providing an irrevocable letter of credit from a reputable lending institution which is satisfactory to the County in an amount which is equal to one hundred percent (100%) of its contract price.

The Commission makes no warranties or representations and accepts no liabilities or responsibilities with respect to the adequacy, sufficiency or suitability of or defects in or with respect to the design, acquisition, construction or equipping of the Improvement Project, except as shall be covered under the terms of any performance bonds or insurance policies which are provided by the contractor for the benefit of the County and the Commission, and in such case only to the extent of the recovery thereunder.

During the period of construction, the County will, at its own cost and expense, promptly comply with all laws, rules, regulations and other governmental requirements including, without limitation, those pertaining to the environment, whether or not the same require structural repairs or alterations, which may be applicable to the County and the Improvement Project or the construction of the Improvement Project. The County shall also, during said period, observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Improvement Project.

(b) Addition or Substitution of Individual Improvements. As contemplated by this Agreement, a portion of the Costs of the Improvements set forth in Exhibit A will be initially financed with Series 2017 Note proceeds; provided, however, that, prior to the County's delivery of a Completion Certificate for any Individual Improvement, the County may, for any reason, elect to substitute one or more other Individual Improvements for the Individual Improvements that were previously contemplated; provided, however, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized County Representative expressing the County's intent to substitute Individual Improvements pursuant to this Agreement and to the effect that (A) the aggregate value of all Individual Improvements financed with proceeds of the applicable Series of Series 2017-1 Bonds for which an acceptance certificate has been delivered plus the value of the new Individual Improvements to be acquired, constructed and installed with proceeds of the applicable Series of Series 2017-1 Bonds is equal to at least 100% of the amount of Bond proceeds of the applicable Series of Series 2017-1 Bonds initially deposited in the Improvement Project Account of the Project Fund established for the Improvements pursuant to the Resolution, (B) the estimated weighted average useful life of all the Individual Improvements to be acquired or constructed hereunder with proceeds of the applicable Series of Series 2017-1 Bonds after the substitution is equal to or greater than the weighted average useful life of all the Individual Improvements at the time of issuance of the applicable Series of the Series 2017-1 Bonds, (ii) a new Exhibit A to this Agreement setting out the new Individual Improvements to be acquired or constructed and identifying the new Real Property to which such new Individual Improvements shall be made and identifying the Real Property to which no Improvements shall be made as a result of such substitution, (iii) a Counsel's Opinion (as defined in the Resolution) to the effect that each of such substitutions and

this Agreement, as supplemented thereby, is in compliance with all applicable laws, and that the financing of such new Individual Improvements falls within the corporate powers of the Commission, and (iv) an opinion of nationally recognized Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Series 2017-1 Bonds from the gross income of the owners thereof for Federal income taxation purposes. The County may not elect to substitute or exchange Improvements for an Individual Improvement pursuant to this Agreement for which the County has furnished to the Trustee an acceptance certificate. To the extent excess Series B Bond proceeds remain in the Improvement Project Account of the Project Fund established for the Improvements pursuant to the Resolution after all of the Individual Improvements set forth in Exhibit A hereof to be financed with proceeds of the applicable Series of Series 2017-1 Bonds have been acquired or completed, the County may apply such excess proceeds to the acquisition, construction and installation of additional Individual Improvements, but such application may only occur if the Trustee shall have received (i) a Certificate of an Authorized County Representative expressing the County's intent to add Individual Improvements pursuant to this Agreement, (ii) a Counsel's Opinion that is satisfactory to the Commission to the effect that each such addition and this Agreement, as supplemented thereby, is in compliance with all applicable laws and that the financing of such new Individual Improvements falls within the corporate powers of the Commission, and (iii) an opinion of nationally recognized Bond Counsel to the effect that such addition will not adversely affect the exclusion of interest on any Series of Series 2017-1 Bonds from the gross income of the owners thereof for Federal income taxation purposes.

SECTION 4.2. Issuance of Series 2017-1 Bonds. (a) In order to provide funds for, among other things, the payment of the Costs of the Improvement Project Allocable Portion, the Commission will use its best efforts to issue, sell and deliver the Series 2017-1 Bonds.

(b) The County shall cooperate with the Commission in furnishing to the Commission and the Trustee all documents required to effectuate the issuance of the Series 2017-1 Bonds, including the execution and delivery of certificates, resolutions, opinions and disclosure materials necessary in connection therewith.

(c) In the event moneys in the Improvement Project Account of the Project Fund are not sufficient to design, acquire, construct and install the Improvement Project, the County shall so notify the Commission and the Trustee and the County shall be obligated to pay the balance of the Cost of the Improvement Project out of funds of the County legally available therefor. In such event, the County shall not be entitled to any reimbursement from the Commission as a result of such payment.

SECTION 4.3. Completion Date. The completion date of the design, acquisition, construction and equipping of the Improvement Project shall be evidenced to the Trustee by (a) a certificate of an Authorized County Representative stating that such design, acquisition and construction of the Improvement Project and acquisition or installation of necessary and incidental equipment has been completed substantially in accordance with the Plans and Specifications, and (b) a certificate of an Authorized Commission Representative stating that such design, acquisition and construction of the Improvement Project and acquisition or installation of necessary and incidental equipment has been completed and that payment of the Cost, or adequate provision therefor, has been made. Notwithstanding the foregoing, the certificates referred to in clauses (a) and (b) hereof shall state that they are given without

prejudice to any rights against third parties which exist as of the date of such certificates or which may subsequently come into being. If, upon the completion of the design, acquisition, construction and equipping of the Improvement Project, there shall be any surplus funds remaining which are not required to provide for the payment of the Costs of the Improvement Project, such funds shall be deposited and applied as provided in the Resolution.

**SECTION 4.4. Default in Contractors' Performance.** In the event of a default of any contractor or subcontractor under the terms of any contract made in connection with the Improvement Project, the County will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the County against the contractor or subcontractor in default and against each surety for the performance of such contractor. The County agrees to advise the Commission, in writing, of the steps it intends to take in connection with any such default. If the County shall so notify the Commission, the County, in good faith and in its own name, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor or surety which the County deems reasonably necessary. Any amounts which are recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid by the County to the Trustee, and applied to payment of the Costs of the Improvement Project, in accordance with the terms of the Resolution.

**SECTION 4.5. Application of Series B Bond Proceeds and Other Funds.** (a) Upon original issuance of the Series 2017-1 Bonds as Series 2017C-1 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2017-1 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Improvement Project Allocable Portion of the Series 2017-1 Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series 2017-1 Bonds, including the Improvement Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Improvement Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$9,241,315.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay Costs of the Improvement Project.

(b) The Commission has in the Resolution authorized and directed the Trustee to make payments from the Improvement Project Account of the Project Fund to pay Costs of the Improvement Project upon receipt by the Commission and the Trustee of a requisition in the form set forth in Exhibit C attached hereto signed by an Authorized County Representative and by an Authorized Commission Representative (which approval shall not be unreasonably withheld), which requisition shall certify with respect to each payment to be made: (i) the requisition number, (ii) the name and address of the Person, firm, corporation or agency to whom payment is due or has been made, (iii) the amount to be paid, (iv) the Costs of the Improvement Project to which the requisition relates, (v) that the Costs have been incurred by the County and are proper charges against the Improvement Project Account of the Project Fund, are proper Costs of the Improvement Project for which the Improvement Project Account of the Project Fund was established and such Costs have not been previously paid, (vi) that the County has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys which are payable pursuant to such requisition to any of the Persons, firms or corporations named in such requisition, or if any such lien, attachment or claim has been filed with or served upon the County, that such lien, attachment or claim has been released or discharged, and (vii) that such requisition contains no

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item which represents payment on account of any retained percentages which the County is at the date of such certificate entitled to retain.

(c) In the case of expenses which have been incurred by the County for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs or revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Improvement Project or payments which are to be made for labor and to contractors, builders and material-men in connection with such construction or payments which are to be made for restoration of property which has been damaged or destroyed in connection with such construction, a certificate of an Authorized County Representative, attached to such requisition, certifying that such Authorized County Representative has made reasonable investigations and that, to the best of his or her knowledge, each such obligation has been properly incurred by the County, and that insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Improvement Project or that such materials, supplies or equipment were fabricated for the construction thereof.

(d) The Commission agrees to cooperate with the County in furnishing to the Trustee any documents required to effect payments out of the Improvement Project Account of the Project Fund in accordance with this Section. Such obligation of the Commission is subject to any provisions of the Resolution requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Improvement Project Account of the Project Fund available for payment under the terms of the Resolution.

## ARTICLE V

### RENTALS AND OTHER PAYMENTS

**SECTION 5.1. Payment of Rentals.** The Commission and the County each acknowledge and agree that the Basic Rent payments due under this Agreement (as set forth in Exhibit B hereto, as same may be amended from time to time in connection with additional Series of Series 2017-1 Bonds as authorized pursuant to the terms of the Resolution) reflect the Improvement Project Allocable Portion. By execution hereof, the County agrees to repay to the Commission the Cost of the Improvement Project Allocable Portion and to pay Additional Rent in connection therewith as follows:

(a) The County shall pay to the Trustee, at the address set forth in Section 9.7 hereof as Basic Rent, on the Lease Payment Date, the amount in accordance with the schedule of Basic Rent set forth in Exhibit B hereto which, together with other moneys and interest and investment earnings available therefor, if any, will equal the County's Basic Rent obligation which is to be applied to the payment of the Improvement Project Allocable Portion of the Debt Service due on the Series 2017-1 Bonds on the next succeeding Bond Payment Date.

(b) The County shall pay to the Trustee, as the same shall become due and payable at any time during the Lease Term, on any Lease Payment Date or thirty (30) days after demand by

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the Commission or the Trustee, the following Additional Rent for the Improvement Project Allocable Portion:

- (1) The Improvement Project Allocable Portion of the Commission Administrative Expenses as shall have been submitted by the Commission to the Trustee and to an Authorized County Representative as contained in a certificate executed by an Authorized Commission Representative;
- (2) The Improvement Project Allocable Portion of the fees and expenses of the Trustee, the Registrar and any Paying Agents for the Series 2017-1 Bonds;
- (3) Insurance policy premiums if paid by the Commission pursuant to Section 6.4(h) hereof; and
- (4) Any other Additional Rent.

(c) The Commission shall deliver to the County and the Trustee a certificate, from time to time as necessary, which reflects credits, if any, to be applied toward the Basic Rent obligation of the County in accordance with the provisions hereof and of the Resolution.

In accordance with the Resolution, the County shall be notified annually, in writing, by the Trustee of the amounts arising from investment earnings, if any, but such amounts shall not be applied as a credit against the Basic Rent payment obligations of the County except as set forth in Section 507(4) of the Resolution. In the event a dispute arises between the Commission and the County with respect to the amount of Basic Rent due and owing by the County, or the credits to be applied toward the County's Basic Rent obligation, such dispute shall be resolved by the Commission. The Trustee shall have no obligation with respect thereto. Notwithstanding any credits which may accrue to the County during the Lease Term, the County is obligated to pay all amounts which constitute Rentals which are due under this Agreement.

(d) Any Rentals due and owing pursuant to this Section 5.1 which are not paid by the County on or before the due date thereof shall, from and after said due date, bear interest (to the extent permitted by State law) at the highest rate per annum borne by the Outstanding Series 2017-1 Bonds of the Commission until paid, time being of the absolute essence of this obligation. Any interest amounts owed by the County pursuant to this Section 5.1(d) shall constitute Additional Rent and shall be paid to the Trustee after demand by the Commission.

(e) All Rental Payments by the County shall be made in immediately available funds and shall be paid to the Trustee at the address set forth in Section 9.7 hereof.

(f) By execution hereof, the County expressly acknowledges the Commission's right to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel compliance and to enforce the County's full and timely payment of Basic Rent payments hereunder.

**SECTION 5.2. Indemnification.** (a) Both during the Lease Term and, thereafter, the County shall, to the extent permitted by State law, indemnify and hold the Commission and the

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Trustee harmless against, and the County shall pay any and all liability, loss, cost, damage, claims, judgments or expenses (including reasonable attorneys' fees and expenses), of any and all kinds or nature and howsoever arising, other than as a result of the gross negligence or willful misconduct of the Commission or the Trustee, their members, officers, agents, professionals, servants or employees, which the Commission or the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or both, or upon or arising out of contracts entered into by the County or the Commission relating to the Improvement Project, or the bidding or awarding of contracts with respect thereto, or arising out of the Commission's ownership of the Improvement Project or the leasing thereof to the County, or arising out of the acquisition, construction, installation, use, operation or maintenance of the Improvement Project pursuant to the terms of this Agreement, or arising out of or caused by any untrue or misleading statement of a material fact relating to the County in the Official Statement of the Commission dated November 29, 2017 (the "Official Statement") or any omission of any material fact relating to the County in the Official Statement. It is mutually agreed by the County and the Commission that, after commencement of the Lease Term as provided in Section 3.2 hereof, neither the Commission, the Trustee nor their respective members, commissioners, officers, agents, professionals, servants or employees shall be liable in any event for any action performed under this Agreement and that the County shall, to the extent permitted by State law, save the Commission and the Trustee harmless from any claim or suit of whatsoever nature arising hereunder except for such claims or suits arising as a result of the Commission's or the Trustee's gross negligence or willful misconduct. This provision shall survive the end of the Lease Term and the final maturity of the Series 2017-1 Bonds.

(b) The County, at its own cost and expense, shall, to the extent permitted by State law, defend any and all such claims, suits and actions which may be brought or asserted against the Commission, the Trustee or their respective members, commissioners, officers, agents, professionals, servants or employees relating to the performance of their respective obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Agreement from its obligation to defend the County, the Commission, the Trustee and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy. The County agrees that it shall give the Commission and the Trustee prompt notice, in writing, of the County's actual or constructive knowledge of the filing of each such claim and the institution of each such suit or action.

(c) The Commission agrees that it:

- (1) shall give the Authorized County Representative prompt notice, in writing, upon its actual or constructive knowledge of the filing of each such claim and the institution of each such suit or action;
- (2) shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action; and
- (3) shall permit the County to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the County shall keep the Commission

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informed as to the progress of any suit, claim or action, and the County shall not reach a final settlement, adjustment or compromise without the Commission's prior approval, which approval shall not be unreasonably withheld.

(d) To the extent permitted by State law, any reasonable cost incurred by the Commission or the Trustee for its respective attorneys, experts' testimony costs and any and all reasonable costs to defend the Commission or the Trustee or any of its respective directors, officials, members, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Trustee for the benefit of the Commission or the Trustee, as the case may be, by the County as an Improvement Project Allocable Portion of a Commission Administrative Expense constituting Additional Rent under Section 5.1(b) hereof.

#### SECTION 5.3. Nature of Obligations of the County.

(a) The County shall be obligated to pay all amounts due under this Agreement which constitute Rentals, including Improvement Project Allocable Portion of Commission Administrative Expenses, which amounts shall be sufficient to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2017-1 Bonds and to fulfill its payment obligations hereunder. The obligation of the County to pay Rentals and to pay all other amounts provided for in this Agreement and to perform its obligations under this Agreement shall be absolute and unconditional, and such Rentals and other amounts shall be payable without any rights of set-off, recoupment or counterclaim it might have against the Commission, the Trustee or any other Person and whether or not the Improvement Project continues to be used by the County or available for use by the County.

(b) The County shall not terminate this Agreement (other than such termination as is provided for under Section 5.7 hereof) or be excused from performing its obligations hereunder or be entitled to any abatement of its obligation to pay Rentals or any other amounts hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Improvement Project, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Improvement Project, or the failure of the Commission to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

SECTION 5.4. County Lease Payment Obligation. Notwithstanding anything in this Agreement to the contrary, the cost and expense of the performance by the County of its obligations under this Agreement and the incurrence of any liabilities of the County under this Agreement including, without limitation, the obligation for the payment of all Rentals and all other amounts required to be paid by the County under this Agreement is a direct and general obligation for which the full faith and credit of the County is hereby pledged, which obligation is not subject to County appropriation and the County shall be required to pay the Rentals and such other amounts required to be paid by the County under this Agreement out of the first funds becoming legally available to the County for this purpose.

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scheduled payments due on and prior to such date have been paid) with respect to the Improvement Project Allocable Portion is as shown on Exhibit B which is attached hereto and which by this reference is made a part hereof as if set forth in full herein (which shall be amended in connection with the issuance of any additional Series of Series 2017-1 Bonds). All payments of Basic Rent which have been made by the County under the terms of Section 5.1(a) hereof prior to the date of the notice delivered by the County, as provided above, shall be credited toward the purchase price of the Improvement Project in arriving at the Purchase Option Price. The Purchase Option Price may be paid in such lesser amount such that, upon investment of all or a portion thereof in obligations described in subparagraph (a) of the definition of "Investment Securities" contained in Section 101 of the Resolution, the maturing principal of and interest on which (together with any uninvested cash) shall be sufficient to pay the Aggregate Debt Service Obligation, payable in respect of the Improvement Project Allocable Portion of the then Outstanding Series 2017-1 Bonds at their maturity or earliest optional redemption date, if any, plus Additional Rent and other amounts due and owing pursuant to clause (ii) hereof.

(c) Upon the exercise by the County of its option to purchase the Improvement Project (as evidenced by the deposit of the Purchase Option Price with the Trustee, as required by paragraph (b) above), the County shall have no further obligation under the terms of this Agreement; *provided, however*, that the provisions of Section 5.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such exercise. Upon the exercise of the County's option to purchase the Improvement Project, the Commission and the County shall take all necessary actions to authorize, execute and deliver any and all documents which are required to transfer the Commission's interest in the Improvement Project to the County.

#### SECTION 5.8. Transfer of Title to Improvement Project.

In the event that the County has made payment of all Rentals, as provided in this Article V, throughout the Lease Term, or has exercised its option to purchase the Improvement Project, as provided in Section 5.7 hereof, and no Event of Default shall have occurred and be continuing, title to the Improvement Project shall be transferred to the County. Such transfer shall occur upon receipt by the Commission of notice from the Trustee of receipt by the Trustee of the final Rental Payment or the Purchase Option Price, as the case may be. In such event, this Agreement shall terminate and all of the rights, duties and obligations of the parties hereto shall cease as of the date of such notice, except that the provisions of Section 5.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such termination.

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SECTION 5.5. Nature of Obligations of the Commission. The cost and expense of the performance by the Commission of any of its obligations under the terms of this Agreement shall be limited to the availability of the Improvement Project Allocable Portion of the proceeds of the Series 2017-1 Bonds which have been issued for such purposes or from other funds received by the Commission under the terms of this Agreement or from insurance policies held by or for the benefit of the Commission and which are available for such purposes.

#### SECTION 5.6. Assignment of Payments by Commission.

(a) It is understood that all payments which are received by the Commission from the County under the terms of this Agreement (except payments which are made pursuant to Sections 5.1(b) and 5.2 hereof) are to be assigned by the Commission to the Trustee pursuant to the terms of the Resolution. Such assignment of payments by the Commission to the Trustee shall impose no duties or responsibilities on the Trustee with respect to the obligations of the Commission under the Resolution or this Agreement. To the extent any payments made pursuant to Section 5.2 hereof are derived from the Improvement Project Allocable Portion of the proceeds of the Series 2017-1 Bonds, such payments shall nonetheless be assigned by the Commission to the Trustee pursuant to the terms of the Resolution.

(b) The Commission agrees to notify the County, by the execution of an appropriate instrument making such assignment to the Trustee, and the County consents to such assignment and agrees that, upon receipt of such notification, it will pay directly to the Trustee at its principal corporate trust office all payments which are due and payable by the County to the Commission pursuant to the terms of this Agreement (except payments which are required to be made pursuant to Sections 5.1(b) and 5.2 hereof) without any defense, set-off or counterclaim arising out of any default on the part of the Commission hereunder. Except as provided in this Section 5.6, the Commission shall not assign this Agreement or any payments which are required to be made under the terms of this Agreement. Except as provided in Section 8.2 hereof, the Commission shall not sell or otherwise encumber its interest in the Improvement Project.

#### SECTION 5.7. Option to Purchase Improvement Project Prior to Expiration of Agreement.

(a) As long as no Event of Default has occurred and is continuing, the County shall have and may exercise, at any time prior to the expiration of the Lease Term, the option to purchase the Improvement Project upon payment to the Commission of the purchase price therefor in an amount as provided in paragraph (b) below. The County may exercise such option upon thirty (30) calendar days' prior written notice to the Commission and the Trustee.

(b) In the event the County determines to exercise its option to purchase the Improvement Project, the County shall deposit with the Trustee an amount which is equal to the Purchase Option Price. The Purchase Option Price as of any date shall mean the amount equal to (i) the aggregate amount of principal and interest and redemption premium, if any (collectively, the "Aggregate Debt Service Obligation"), payable in respect of the Improvement Project Allocable Portion of the then Outstanding Series 2017-1 Bonds at their maturity or earliest optional redemption date, if any, plus (ii) any Additional Rent and other amounts due and owing pursuant to Sections 5.1(a) and (b) hereof, including but not limited to, escrow verification fees. The principal and interest as of the Lease Payment Date (based on the assumption that all other

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## ARTICLE VI

### COVENANTS OF COUNTY

SECTION 6.1. Operation, Maintenance and Repair of Improvement Project. The County covenants and agrees that at all times during the Lease Term, the County shall be responsible for, and shall pay all costs and expenses of (a) operating the Improvement Project, (b) maintaining the same in good condition, and (c) making all necessary repairs and replacements, interior and exterior, structural and non-structural. The Commission shall have no responsibility in any of these matters, or for the making of improvements or additions to the Improvement Project.

SECTION 6.2. Utilities. The County will pay all charges for water, electricity, light, heat or power, sewage, telephone and other utility service which is rendered or supplied upon or in connection with the Improvement Project.

SECTION 6.3. Additions, Enlargements and Improvements. The County shall have the right at any time and from time to time during the Lease Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project, as the County shall deem to be necessary or desirable in connection with the use of the Improvement Project; *provided, however*, that prior to making any such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project, the County shall obtain all necessary permits and approvals relating to same. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the Improvement Project or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid by the County or discharged so that the Improvement Project shall at all times be free of liens for labor and materials supplied thereto, except for Permitted Encumbrances. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project shall be and become a part of the Improvement Project, during the Lease Term, and shall, subject to Article III hereof, be the property of the Commission.

SECTION 6.4. Provisions Regarding Insurance. (a) At all times during construction of the Improvement Project and until the Improvement Project is available for use by the County, the County shall, at its own expense, continue to maintain or continue to cause to be maintained with responsible insurers, at a minimum, the following kinds, and the following amounts of insurance with respect to the Improvement Project, if applicable, with such variations as shall reasonably be required to conform to customary insurance practice:

- (1) Builder's risk insurance regarding structures and facilities designed as part of the Improvement Project as is customarily carried by owners of similar rental properties with respect to such facilities when under construction, in an amount which is at least equal to one hundred percent (100%) of the value of the Improvement Project as determined from time to time, calculated after taking into account current contract costs, less noninsurable items. The net proceeds of any such insurance, after deduction therefrom of expenses of collection, shall be deposited and used

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as determined by the Commission in accordance with provisions of the Resolution and shall be applied to pay the Cost of the Improvement Project.

- (2) Such public or comprehensive liability insurance, in the minimum amount of \$1,000,000 liability for any one Person and \$3,000,000 liability for any one occurrence for personal injury, and \$500,000 liability for any one occurrence for property damage, and such insurance shall protect against any and all penalties, costs, including reasonable attorneys' fees, claims, demands and causes of action due directly or indirectly to the use, disuse or interest in the Improvement Project.
- (3) Such other and additional insurance (including workers' compensation insurance) as is customarily carried by Persons in similar circumstances with respect to similar construction operations or similar property or structures and facilities.

To the extent, however, that any part of said insurance is carried by others for the benefit of the County, the County shall not be obligated hereunder to procure or maintain such part of said insurance.

(b) Upon the availability of the Improvement Project, or any portion thereof, for use by the County, and thereafter during the Lease Term, the County agrees to pay for or provide comprehensive general liability coverage which will pay, on behalf of the Commission and the Trustee, all sums which the Commission and the Trustee shall become legally obligated to pay as damages because of bodily injury or death and property damage caused by any occurrence at or in connection with the use of the Improvement Project and the Commission and the Trustee shall be additional named insureds.

Such insurance shall afford protection to the Commission and the Trustee, in the minimum amount of \$1,000,000 liability for any one Person and \$3,000,000 liability for any one occurrence for personal injury, and \$500,000 liability for any one occurrence for property damage, and such insurance shall protect the Commission and the Trustee against any and all penalties, costs, including reasonable attorneys' fees, claims, demands, and causes of action due directly or indirectly to the use, disuse, misuse or interest in the Improvement Project.

(c) Upon the availability of any portion of the Improvement Project for use by the County and thereafter during the Lease Term, the County shall obtain and maintain with responsible insurers authorized to do business in the State, or in such other manner as may be required or permitted by law, fire, extended coverage, earthquake and flood insurance on the Improvement Project, if applicable (including, without limiting the generality of the foregoing, if available on reasonable terms from the United States of America or any agency thereof or corporation organized thereby, war risk coverage), in an amount which is at least equal to the current full insurable replacement value thereof (exclusive of excavations and foundations but inclusive of debris removal costs), as determined by the County and adjusted, if required, annually with a deductible amount of not more than \$100,000; *provided, however*; that earthquake insurance and flood insurance shall be required only if same are available on reasonable terms. No policy of insurance shall be so written that the proceeds thereof will

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produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without obtaining the prior written consent thereto of the Commission. Such insurance shall provide for rent or rental value insurance or business interruption insurance against loss of Rentals and other sums due hereunder resulting from the aforesaid risks insured against. Such insurance shall be written and maintained in an amount at least equal to the annual Rentals plus an amount equal to all of the other sums payable by the County hereunder including, without limitation, any real estate taxes, if any, assessments, utility charges and premiums necessary to maintain the insurance required to be maintained hereunder. Such rent or rental value or business interruption insurance shall be made payable solely to the Commission during the Lease Term and shall be applied periodically to the Rent and other sums due and to become due pursuant to this Agreement until the restoration or completion of the Improvement Project. All policies evidencing any insurance which is required by the terms of this paragraph (c) shall be carried in the name of the County, the Commission and the Trustee, as their respective interests may appear, and shall contain standard clauses which provide for the net proceeds of such insurance resulting from claims (per casualty) thereunder which are less than \$250,000 for loss or damage covered thereby to be made payable directly to the County and net proceeds from such claims equal to or in excess of \$250,000 (per casualty) to be made payable directly to the Trustee (other than rent or rental value or business interruption insurance which shall be payable solely to the Commission).

(d) During the Lease Term, the County shall obtain and maintain with responsible insurers authorized to do business in the State, or in such other manner as may be required or permitted by law, any other insurance which has been agreed to by the County and the Commission.

(e) All insurance policies which are obtained by or on behalf of the County or the Commission under the terms of this Agreement shall be open to inspection by the Commission, the County and the Trustee at all reasonable times.

(f) Notwithstanding any of the foregoing provisions of this Section 6.4, the County shall not be required to obtain or maintain any class or type of insurance required by this Agreement for which it is authorized and able to obtain and maintain an appropriate substitute arrangement under which the Commission would be fully protected from general public liability arising from its ownership or interest in the Improvement Project or under which assurance will be provided that funds will be available to repair, restore, rebuild or replace the Improvement Project upon damage, loss or destruction of the Improvement Project, or under which moneys would be available to the County from a lawful source to pay the Rentals and other payments which are required to be made under the terms of this Agreement in the event of the damage, loss or destruction of the Improvement Project. No such arrangement or arrangements shall be substituted by the County for the insurance required to be obtained and maintained pursuant to the foregoing provisions of this Section 6.4, unless and until each such arrangement shall have been approved, in writing, by the Commission.

(g) In lieu of separate policies, the County may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverages required herein, in which event it shall deposit with the Commission and the Trustee a certificate or certificates of the respective insurers as to the amount of such coverages in force upon the Improvement Project.

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(h) In the event of failure of the County to pay any premium or other charge with respect to insurance which it is obligated to procure and maintain pursuant to the terms of this Section 6.4, the Commission may (but shall be under no obligation to) pay such premium and secure and maintain such policy at the cost and expense of the County and all amounts so advanced therefor by the Commission shall become immediately due and payable as Additional Rent to the Commission pursuant to Section 5.1(b)(3) hereof.

(i) To the extent permitted by State law, the County agrees to hold the Commission and the Trustee harmless for any loss to property resulting from any act of negligence that results in a loss or losses which is or which are insured under the foregoing insurance coverages.

(j) If the County maintains a program of self-insurance, the County may insure the Improvement Project in its self-insurance program and shall provide an adequate insurance fund to pay losses and shall demonstrate, to the satisfaction of the Commission, that such self-insurance is sufficient to provide the coverages required under this Section 6.4. Notwithstanding the foregoing, if the County elects to self-insure the Improvement Project, in the event the Improvement Project is damaged or destroyed, the County shall immediately pay over to the Commission all moneys for such damage or loss for deposit with the Trustee to be applied in accordance with Sections 6.5 and 6.6 hereof.

Any insurance policy maintained pursuant to this Section 6.4 shall be so written or endorsed as to make losses, if any, payable to the County, the Commission and the Trustee as their respective interests may appear. The Proceeds of the insurance required in this Section 6.4 shall be applied as provided in Sections 6.5 and 6.6 hereof.

**SECTION 6.5. Damage or Destruction.** The County agrees to immediately notify the Commission and the Trustee in the case of damage to or destruction of the Improvement Project or any portion thereof in an amount exceeding \$250,000 resulting from fire or other casualty. In the event that the amount of any such damage or destruction does not exceed \$250,000, the County will forthwith repair, reconstruct and restore the Improvement Project to substantially the same condition as existed prior to the event causing such damage or destruction and the County will apply the net Proceeds of any insurance relating to such damage received by the County pursuant to Section 6.4 hereof to the payment or reimbursement of the costs of such repair, reconstruction and restoration.

In the event that the Improvement Project, or any portion thereof, is damaged or destroyed by fire or other casualty and the damage or destruction is estimated to exceed \$250,000, then the County shall, within ninety (90) days after such damage or destruction, elect one of the following two options by written notice of such election to the Commission and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** The County may elect to repair, reconstruct and restore the Improvement Project. In such event, the County, the Commission and the Trustee will cause the Proceeds of any insurance claim to be applied to the prompt repair, restoration or replacement of the Improvement Project. Any Proceeds received by the Commission shall be deposited in the Improvement Project Account of the Project Fund and be applied by the Trustee to complete the payment of the Cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for

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the payment of the Cost of the Improvement Project from the Improvement Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of the Improvement Project shall be transferred by the Trustee to the Improvement Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward the Basic Rent obligations of the County on the Lease Payment Date in accordance with Sections 503(7) and (8) of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt Service on the Outstanding Series 2017-1 Bonds is fully paid or provided for by the Commission.

(b) **Option B - Prepayment of Rent.** Alternatively, the County may elect to have the Proceeds of insurance payable as a result of such damage or destruction applied to the prepayment of Basic Rent hereunder. In such event the County shall, in its notice of election to the Commission and the Trustee, direct that such Proceeds, when and as received, be deposited in the Improvement Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt Service on the Outstanding Series 2017-1 Bonds is fully paid or provided for by the Commission.

**SECTION 6.6. Condemnation.** This Agreement and the interest of the County in the Improvement Project, or any portion thereof, which is condemned or taken for any public or quasi-public use shall be terminated when title thereto vests in the party condemning or taking the same (hereinafter referred to as the "termination date"). The County and the Commission hereby irrevocably assign to the Trustee all right, title and interest of the County in and to any Proceeds of any award, compensation or damages (hereinafter referred to as an "award"), payable in connection with any such condemnation or taking of the Improvement Project, or any portion thereof, during the Lease Term. Such Proceeds shall be initially paid to the Trustee for disbursement or use as hereinafter provided.

In the event of any such condemnation or taking, the County shall, within ninety (90) days after the termination date thereof, elect one of the following two options by written notice of such election to the Commission and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** The County may elect to use the Proceeds of the award made in connection with such condemnation or taking for repairs and improvements to the Improvement Project. In such event, the County, the Commission and the Trustee will cause the Proceeds of any condemnation award to be applied to the prompt repair, restoration or replacement of the Improvement Project. Any Proceeds received by the Commission shall be deposited in the Improvement Project Account of the Project Fund and be applied by the Trustee to complete the payment of the Cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for the payment of the Cost of the Improvement Project from the Improvement Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of the Improvement Project shall be transferred by the Trustee to the Improvement Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward

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the Basic Rent obligations of the County on any Lease Payment Date in accordance with Sections 503(7) and (8) of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt Service on the Outstanding Series 2017-1 Bonds is fully paid or provided for by the Commission.

(b) **Option B - Prepayment of Rent.** The County may elect to have the Proceeds payable as a result of condemnation award applied to the prepayment of Basic Rent hereunder. In such event the County shall, in its notice of election to the Commission and the Trustee, direct that such Proceeds, when and as received, be deposited in the Improvement Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on the Improvement Project.

The Commission shall cooperate fully with the County in the handling and conducting of any prospective or pending condemnation proceedings with respect to the Improvement Project or any part thereof and will, to the extent it may lawfully do so, permit the County to litigate in any such proceeding in the name and on behalf of the Commission. In no event will the Commission voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings with respect to the Improvement Project or any part thereof without the prior written consent of the County.

**SECTION 6.7. Insufficiency of Proceeds.** If the County elects to repair, restore or replace the Improvement Project or any portion thereof under the terms of Section 6.5(a) or 6.6(a) hereof and the Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the County shall complete the work and pay any Cost in excess of the amount of the Proceeds and the County agrees that, if by reason of any such insufficiency of the Proceeds the County shall make any payments pursuant to the provisions of this Section 6.7, the County shall not be entitled to any reimbursement therefor from the Commission nor shall the County be entitled to any diminution or offset of the amounts payable under this Agreement.

**SECTION 6.8. Net Lease.** This Agreement shall be deemed to be and is construed to be a "net lease", and the County shall pay absolutely net during the Lease Term the Rentals and all other payments which are required to be made under the terms of this Agreement, free of all deductions, and without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

**SECTION 6.9. Compliance With Laws.** The parties to this Agreement agree to comply with all laws of the State applicable to the performance of this Agreement.

**SECTION 6.10. Covenant of County as to Compliance With Federal Tax Matters.** Upon the advice of Bond Counsel to the Commission, the County covenants that it will take all actions which are within its control that are necessary to assure that interest on the Series 2017-1 Bonds is excludable from gross income for Federal income tax purposes and the County covenants that it will refrain from taking any action that would cause the interest on the Series 2017-1 Bonds to be includable in gross income under the provisions of the Code. The County specifically covenants as to the following:

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(a) Not more than ten percent (10%) of the Improvement Project Allocable Portion of the proceeds of the Series 2017-1 Bonds used to finance the Improvement Project Allocable Portion (i) will be used for any private business use, and (ii) will be directly or indirectly (1) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (2) derived from payments in respect of property, or borrowed money, used or to be used for a private business use. If the Improvement Project Allocable Portion of the proceeds of the Series 2017-1 Bonds are to be used for any private business use which is not related or is disproportionate to the governmental use of the proceeds pursuant to Section 141(b)(3) of the Code, not more than five percent (5%) of the Improvement Project Allocable Portion of the proceeds of the Series 2017-1 Bonds used to finance the Improvement Project Allocable Portion are to be used for any private business use and not more than five percent (5%) of the Improvement Project Allocable Portion of the proceeds of the Series 2017-1 Bonds used to finance the Improvement Project Allocable Portion are secured by any interest in property used or to be used for a private business or payments in respect of such property, or to be derived from payments in respect of property or borrowed money, used or to be used for a private business use. The County will not enter into any type of lease or management or service contract with respect to the Improvement Project unless it obtains an opinion of Bond Counsel that such agreement will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017-1 Bonds.

(b) The Improvement Project will be installed in a facility that is now owned and operated by the County, in which there is either no or *de minimis* non-public usage. The County covenants to so continue public ownership, operation and such public usage while the Series 2017-1 Bonds are Outstanding, unless Bond Counsel has opined that a proposed change in ownership, operation or usage will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017-1 Bonds.

(c) No part of the Improvement Project Allocable Portion of the proceeds of the Series 2017-1 Bonds used to finance the Improvement Project Allocable Portion will be used to replace other funds of the County that were to be used for the Improvement Project Allocable Portion and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Series 2017-1 Bonds.

(d) The County hereby covenants to comply with the arbitrage requirements of Section 148 of the Code and the rebate requirements imposed by Section 148(f) of the Code. To the extent any rebate must be paid with respect to the Improvement Project Allocable Portion of the Series 2017-1 Bonds, the County will promptly pay the amount due upon request of the Commission.

(e) Except as indicated herein, the County does not anticipate that it or any other party will pledge any other investments or establish or create any other fund which will be security for the Improvement Project Allocable Portion of the Series 2017-1 Bonds.

(f) The County has not been notified of any publication by the Internal Revenue Service listing it as an issuer whose certification as to expectations may not be relied upon with respect to its obligations.

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(g) The County shall immediately notify the Commission of any failure to comply with the foregoing covenants.

**SECTION 6.11. Representations and Warranties of County.** The County represents and warrants as follows:

(a) It is a public body corporate and politic duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its governing body, it has duly authorized the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement and compliance with the provisions hereof will not conflict with or constitute on the part of the County a violation of, breach of or default under any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the County is bound or, to the knowledge of the County, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the County or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the consummation of the transactions contemplated hereby have been obtained.

(c) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2017-1 Bonds, there is no action, suit, proceeding or investigation at law or in equity pending against the County by or before any court or public agency or, to the knowledge of the County, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby, or which in any way would adversely affect the validity of this Agreement, or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) To its knowledge, no legislation has been enacted which in any way adversely affects the execution and delivery of this Agreement by the County, or the creation, organization or existence of the County or the titles to office of any officials thereof, or the power of the County to carry out its obligations under this Agreement.

(e) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2017-1 Bonds, the County is not a party to any indenture, loan or credit agreement or any other agreement, resolution, contract, instrument, pension plan, pension trust, employee benefit or welfare plan, or subject to any restriction which may reasonably be expected to have an adverse effect on its properties, assets, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Agreement.

(f) It possesses either a leasehold interest in the Real Property for a period which is at least equal to the Real Property Lease Term or, alternatively, good and marketable title to the Real Property free and clear of all liens and encumbrances, except Permitted Encumbrances.

(g) It will, upon execution and delivery of this Agreement, deliver or cause to be delivered to the Commission an opinion of counsel to the County in substantially the form set forth in Exhibit D hereto.

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**SECTION 6.12. County Budget and Notice of Appropriation for Lease Payments.** (a) The County covenants that in each Fiscal Year of the Lease Term, it will include in its annual budget the Rentals which are due and payable or which will become due and payable during such Fiscal Year under the terms of this Agreement.

(b) By execution hereof, the County expressly acknowledges the Commission's right, but not its obligation, to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel the County to provide an appropriation for Lease Payments due under this Agreement.

(c) The County shall also notify the Trustee and the Commission of any change in the Fiscal Year of the County within ten (10) Business Days of the adoption of the authorization therefor by the governing body of the County.

**SECTION 6.13. Third-Party Beneficiary.** The County and the Commission by the execution hereof acknowledge that the covenants, representations and warranties set forth herein are for the benefit of the Trustee.

**SECTION 6.14. Continuing Disclosure.** In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2017C-1 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, and (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

## ARTICLE VII

### SPECIAL COVENANTS

**SECTION 7.1. County's Right to Possession.** Except as otherwise provided herein, the County shall be entitled to sole possession of the Improvement Project during the Lease Term.

**SECTION 7.2. Quiet Enjoyment.** The Commission covenants and agrees with the County that upon the County's payment of the Rentals and the other payments which are required to be made under the terms of this Agreement and observing and performing all the terms, covenants, and conditions to be observed and performed by the County, the County may peaceably and quietly have, hold and enjoy the Improvement Project.

**SECTION 7.3. Compliance With Laws and Regulations.** The County will, at its own cost and expense, promptly comply with all laws, rules, regulations and other governmental requirements, including, without limitation, any of the foregoing pertaining to the environment, whether or not the same require structural repairs or alterations, which may be applicable to the County and the Improvement Project or the use or manner of use of the Improvement Project.

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The County will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Improvement Project.

**SECTION 7.4. Covenant Against Waste.** The County covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Improvement Project.

**SECTION 7.5. Right of Inspection.** The County covenants and agrees to permit the Commission and the authorized agents and representatives of the Commission to enter the Improvement Project at all times during usual business hours upon reasonable notice for the purpose of inspecting the same.

**SECTION 7.6. Condition of Premises.** Upon the availability of any part of the Improvement Project for use by the County, the County shall become familiar with the physical condition of the Improvement Project or relevant part thereof. The Commission makes no representations whatsoever in connection with the condition of the Improvement Project, and the Commission shall not be liable for any defects therein.

**SECTION 7.7. Assignment and Sale by the County.** The County will not, except with the prior written consent of the Commission, sell, sublease or otherwise dispose of or encumber its interest in the Improvement Project, except for Permitted Encumbrances. This Agreement may be assigned in whole or in part by the County upon the prior written consent of the Commission (which consent shall not be unreasonably withheld) but no assignment shall relieve the County from satisfying any of its obligations hereunder, and in the event of any such assignment, the County shall continue to remain primarily liable for the payments specified in this Agreement and for performance and observance of the other agreements provided herein.

**SECTION 7.8. Cooperation by the County.** The County, by written notice signed by an Authorized County Representative, shall keep the Commission informed of anticipated needs for money to pay the Cost of the Improvement Project and the County shall give the Commission its full cooperation and assistance in all matters relating to financing of the design, acquisition, construction and installation of the Improvement Project.

The County agrees that, whenever requested by the Commission, it shall provide and certify, in form satisfactory to the Commission, such information concerning the County and the Improvement Project, the operations and finances of the County and such other matters that the Commission considers to be necessary in order to enable it to complete and publish the Official Statement or other similar disclosure document relating to the sale of the Series 2017-1 Bonds or to enable the Commission to make any reports which are required by any law or governmental regulations in connection with the Series 2017-1 Bonds.

**SECTION 7.9. Liens.** During the Lease Term, the County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Improvement Project, and the respective rights of the Commission and the County as herein provided, except for Permitted Encumbrances. The County shall reimburse the Commission for any reasonable expense incurred by the Commission in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, except for Permitted Encumbrances.

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(a) The Commission may re-enter and take possession of the Improvement Project without terminating this Agreement, and may sublease the Improvement Project for the account of the County, holding the County liable for the difference, if any, in the Rent and other amounts which are payable by the sublessee and the Rentals and other amounts which are due and payable by the County to the Authority under the terms of this Agreement.

(b) The Commission may accelerate the Rental Payments owed by the County for the Improvement Project, holding the County liable for all Rentals and other amounts due to the Commission under the terms of this Agreement.

(c) To the extent the same may be permitted by State law, the Commission may terminate the Lease Term, exclude the County from possession of the Improvement Project and sell the Improvement Project (to the extent possible), holding the County liable for payment of all Rentals and other amounts which are due under the terms of this Agreement and which are not paid from the proceeds derived from such sale.

(d) The Commission may take whatever action at law or in equity may appear to be necessary or desirable in order to collect the payments which are then due and payable and thereafter to become due and payable, or to enforce performance and observance of any obligation, agreement or covenant of the County under the terms of this Agreement.

Any amounts which are collected pursuant to action taken under this Section 8.2 shall be applied in accordance with the provisions of the Resolution. If the Resolution has been discharged and all costs of the Commission, if any, shall have been paid, any remaining amounts collected pursuant to actions taken under paragraph (c) of this Section 8.2 shall be paid to the County by the Trustee.

**SECTION 8.3. Reinstatement.** Notwithstanding the provisions of Section 8.2 hereof if, after the acceleration of the Rental Payments upon occurrence of an Event of Default, all arrears of interest on such overdue Rental Payments and the Rental Payments which have become due and payable otherwise than by acceleration, and all other sums payable under this Agreement, except Rental Payments due and payable as a result of acceleration, shall have been paid by or for the account of the County or provision satisfactory to the Trustee shall have been made, all other things shall have been performed in respect of which there was a Default or provision deemed by the Trustee to be adequate shall be made therefor and there shall have been paid the reasonable fees and expenses, including Additional Rent and the Improvement Project Allocable Portion of the Commission Administrative Expenses (including reasonable attorneys' fees paid or incurred), if any, and such acceleration under this Agreement is rescinded, the Trustee shall waive the County's Default without further action by the Commission and the Commission and the Trustee shall be restored to their former positions and rights under the Resolution. Upon such payment and waiver, this Agreement shall be fully reinstated as if it had never been accelerated. No such restoration of the Commission and the Trustee shall extend to or affect any subsequent Default under the Resolution or impair any right consequent or incidental thereto.

**SECTION 8.4. Payment Deficiencies.** If an Event of Default referred to in Section 8.1(a) hereof shall have happened and be continuing and there remains outstanding Basic Rent payments which have not been paid to the Trustee pursuant to the terms of this Agreement (which determination shall be made by the Trustee as at the close of business on any Lease Payment Date), the Trustee, on behalf of the Commission, shall notify the County and the

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## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**SECTION 8.1. Events of Default.** An "Event of Default" or a "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the County to pay or cause to be paid when due the payments which are required to be made under the provisions of Section 5.1(a) hereof;

(b) Failure by the County to pay or cause to be paid when due any payments which are required to be made under the provisions of this Agreement (other than payments required to be made under Section 5.1(a) hereof and in Section 6.14 hereof), which failure shall continue for a period of thirty (30) days after written notice thereof, specifying such failure and requesting that it be remedied, is given to the County by the Commission or the Trustee;

(c) Failure by the County to observe and perform any covenant, condition or agreement which is required to be observed or performed by it (other than as referred to in subsections (a) and (b) of this Section 8.1 and in Section 6.14 hereof), which failure shall continue for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the County by the Commission or the Trustee, unless the notifying party shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and is diligently pursued until the default is remedied;

(d) The filing of a petition by or against the County under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Agreement or thereafter enacted, unless in the case of any such petition filed against the County, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property or assets shall be appointed by court order or take possession of the County or its property or assets if such order remains in effect or if such possession continues for more than thirty (30) days; or

(e) Any sale of all or a portion of the Improvement Project or termination of the Lease Term provided the County has not elected to terminate this Agreement pursuant to the provisions of Section 5.7 hereof.

**SECTION 8.2. Remedies.** Whenever any Event of Default referred to in Section 8.1 hereof shall have occurred and shall be continuing, any one or more of the following remedial steps may be taken, provided that, where applicable, prior written notice of the Default has been given to the County by the Commission or by the Trustee and the Default has not been cured:

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Commission, in writing not later than 3:00 p.m. on such Lease Payment Date, of the failure of the County to pay its Basic Rent on the Lease Payment Date, which notice shall state the amount of any such deficiency, the date by which the deficiency must be cured by the County (which date shall not be later than the Bond Payment Date). Notwithstanding the above, the Commission and the Trustee shall undertake all diligent efforts to pursue the County and cause it to pay all amounts due and owing to the Commission under this Agreement prior to any Bond Payment Date.

**SECTION 8.5. No Remedy Exclusive.** No remedy conferred herein upon or reserved to the Commission or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default hereunder shall impair any such right or power or shall be construed to be a waiver hereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Commission or the Trustee to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

**SECTION 8.6. No Additional Waiver Implied by One Waiver.** In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## ARTICLE IX

### MISCELLANEOUS

**SECTION 9.1. Surrender of Possession.** Except as otherwise expressly provided in this Agreement, upon the termination of the Lease Term as a result of the occurrence of an Event of Default under the terms of Article VIII hereof, the County hereby agrees to surrender possession of the Improvement Project peacefully and promptly to the Commission in the same or better condition as existed at the commencement of the Lease Term, except for loss by fire or other casualty covered by insurance in the manner and as provided in Article VI hereof, and except for condemnation and ordinary wear, tear and obsolescence.

**SECTION 9.2. Successors and Assigns.** This Agreement shall inure to the benefit of the County, the Commission, the Trustee and their respective successors and assigns and shall be binding upon the County and the Commission and their respective successors and assigns subject, however, to the provisions of Section 7.7 hereof.

**SECTION 9.3. Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 9.4. Amendments.** (a) This Agreement may be amended upon the written consent of the County and the Commission; *provided, however*; that, except as provided below,

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no such amendment shall be effective without a Counsel's Opinion (as defined in the Resolution) if, in the judgment of the Trustee, such amendment adversely affects the rights of the Holders of the Series 2017-1 Bonds which are Outstanding at the time of such amendment.

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(b) Notwithstanding anything herein to the contrary, this Agreement may be amended under all circumstances to provide for a change in the description of the Improvements and location of the Real Property as set forth in Exhibit A to this Agreement and the Basic Rent Payment Schedule for the Series 2017-1 Bonds as set forth in Exhibit B to this Agreement.

SECTION 9.5. Amounts Remaining Under Resolution. It is agreed by the parties hereto that upon the expiration or sooner termination of the Lease Term, as provided in this Agreement, after payment in full of the Improvement Project Allocable Portion of the Outstanding Series 2017-1 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Resolution) and all Rental Payments due hereunder and the fees, charges and expenses of the Fiduciaries and the Commission in accordance with the provisions of the Resolution and this Agreement, any amounts which are remaining in any Improvement Project Account of any Fund created under the terms of the Resolution shall belong to, and shall be paid by the Commission (after receipt from the Trustee) to, the County.

SECTION 9.6. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.7. Notices. All notices, demands or other communications provided for in this Agreement shall be in writing and shall be delivered personally, by facsimile transmission (with written confirmation of receipt) in accordance herewith and sent by certified or registered mail, personal delivery or recognized overnight delivery to: (i) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065, Attn: Executive Director; (ii) the Trustee at TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034, Attn: Corporate Trust Services; and (iii) the County at 49 Rancocas Road, Mount Holly, New Jersey 08060, Attn: County Treasurer, or to such other representatives or addresses as the Commission, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

SECTION 9.8. Headings. The Article and Section headings in this Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 9.9. Non-Waiver. It is understood and agreed that nothing contained in this Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Agreement.

SECTION 9.10. Survival of Agreement. Notwithstanding anything herein to the contrary, the provisions of Sections 5.2 (to the extent permitted by State law), 6.4 and 6.10 hereof shall survive the expiration of the Lease Term and the final maturity of the Series 2017-1 Bonds.

SECTION 9.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative as its duly authorized officer and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative as its duly authorized officer and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY  
BRIDGE COMMISSION

Attest: BURLINGTON COUNTY  
BRIDGE COMMISSION

By: [Signature] Secretary  
[SEAL] By: [Signature] Authorized Commission Representative

By: \_\_\_\_\_ Secretary  
[SEAL] By: \_\_\_\_\_ Authorized Commission Representative

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_ Clerk of the Board of Chosen  
Freeholders By: \_\_\_\_\_ Authorized County Representative  
[SEAL]

By: [Signature] Clerk of the Board of Chosen  
Freeholders By: [Signature] Authorized County Representative  
[SEAL]



**BURLINGTON COUNTY BRIDGE COMMISSION**  
**\$12,000,000 LEASE REVENUE NOTES**  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2017C-1  
 Exhibit B - Improvement Lease (2015 Lease Ordinance)

<b>Participant:</b> County of Burlington	<b>2017C-1</b> Acquisition Cost
<b>Improvements:</b>	
2017C-1 Lease Notes - Project Fund: Buildings and Grounds	\$ 5,250,000.00
Engineering	3,991,315.00
<b>Sub-Total:</b>	<b>\$ 9,241,315.00</b>
<hr/>	
<b>Total Improvement Project Fund:</b>	<b>\$ 9,241,315.00</b>

12/8/2017  
 FNAL  
 County/Corp\_Note\_Seried2017\_C

**EXHIBIT "A"**  
**BURLINGTON COUNTY BRIDGE COMMISSION**  
**\$12,000,000 LEASE REVENUE NOTES**  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2017C-1  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

COUNTY OF BURLINGTON IMPROVEMENT LEASE (2015 LEASE ORDINANCE)									
Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2017 C-1 Debt Service Funds on Deposit	Net Basic Rent Interest Amount	Basic Rent Total Annual Amount		
12/12/2018	9,242,000.00	2.500%	230,408.200	9,472,408.20	(22,035.51)	207,772.69	9,449,772.69		

12/8/2017  
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Requisition Ref. No. 2017-1-\_\_\_\_\_

**EXHIBIT C**  
**REQUISITION FOR PAYMENTS FROM IMPROVEMENT PROJECT**  
**ACCOUNT OF THE PROJECT FUND**  
**REQUISITION**

I, the undersigned Authorized County Representative of the County of Burlington, New Jersey (the "County") DO HEREBY CERTIFY pursuant to and in accordance with the terms of a resolution of the Burlington County Bridge Commission (the "Commission") duly adopted on September 18, 2017, entitled "Resolution of The Burlington County Bridge Commission Authorizing the Issuance of General Obligation Lease Revenue Bonds (2017-1 County Leasing Program), Series 2017", as amended, restated, modified and supplemented from time to time (the "Resolution") as follows (capitalized terms shall have the meaning set forth in the Improvement Lease and Agreement between the Commission and the County dated \_\_\_\_\_, 2017 (the "Agreement")):

**A. Description of Request**

1. The Trustee is hereby directed to make payment under this Requisition to the payee named in Schedule A attached hereto.
2. The amount to be disbursed under this Requisition is \$ \_\_\_\_\_.

**B. County Representations**

As required under the Resolution, I HEREBY CERTIFY as follows:

1. (Strike out either A or B, whichever does not apply.)
  - (A) \$ \_\_\_\_\_ of the moneys to be disbursed pursuant to this Requisition are to be used to pay for work done in performance of any construction contract.
  - (B) None of the moneys to be disbursed pursuant to this Requisition are to be used to pay for work done in performance of any construction contract.

2. If any of the moneys requisitioned by this Requisition from the Improvement Project Account of the Project Fund are for expenses that have been incurred by the County for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs of revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Improvement Project or payments that are to be made for labor and to contractors, builders and

materialmen in connection with such construction or payments that are to be made for restoration of property which has been damaged or destroyed in connection with construction of the Improvement Project, I have made an investigation as to such expenses and, to the best of my knowledge, each such obligation has been properly incurred by the County and, insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Improvement Project or that such materials, supplies or equipment were fabricated for the construction thereof.

3. Each obligation mentioned herein has been incurred by the County and is a proper charge against the Improvement Project Account of the Project Fund, is a proper Cost of the Improvement Project for which the Improvement Project Account of the Project Fund was established, is unpaid and has not been the basis of any previous Requisition.

4. As a condition of receiving any payments under this Requisition, the County represents that it has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of any of the amounts payable under this Requisition to any of the payees named in this Requisition, or if any lien, attachment or claim has been filed with or served upon the County, such lien, attachment or claim has been released or discharged.

5. The payments to be made pursuant to this Requisition do not include any items which represent payment on account of any retained percentages which the County is, as of the date hereof, entitled to retain.

6. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON,  
 NEW JERSEY  
  
 By: \_\_\_\_\_  
 Authorized County Representative  
 Name:  
 Title:

Dated:

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY  
 BRIDGE COMMISSION  
  
 By: \_\_\_\_\_  
 Authorized Commission Representative  
 Name:  
 Title:

Dated:

SCHEDULE A

Name:

Address:

Amount: \$

Funds to be Disbursed from

Improvement Project Account of the Project Fund

\$

Description of Product/Service:

EXHIBIT D

FORM OF OPINION OF GENERAL COUNSEL/  
BOND COUNSEL TO COUNTY

EXHIBIT E

CERTIFICATE AS TO AUTHORIZED  
COUNTY REPRESENTATIVE

I, \_\_\_\_\_, the duly elected and acting Director of the Board of Chosen Freeholders of the COUNTY OF BURLINGTON, NEW JERSEY (the "County"), a municipal corporation of the State of New Jersey, DO HEREBY CERTIFY that I am duly authorized under the Agreement (as hereinafter defined) to execute and deliver this Certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY as follows:

1. \_\_\_\_\_ is the Treasurer of the County.
2. \_\_\_\_\_ is the Administrator/Board Clerk of the County.
3. The following individual(s) have each been designated as Authorized County Representatives in accordance with the provisions of the Agreement and each are duly qualified, empowered and authorized so to act on behalf of the County and to deliver documents on behalf of the County.

Name	Signature
_____	_____
_____	_____

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in the Improvement Lease and Agreement dated \_\_\_\_\_, 2017 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_th day of \_\_\_\_\_, 2017.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Freeholder Director

FIFTH AMENDMENT TO THE  
EQUIPMENT LEASE AND AGREEMENT

BETWEEN

BURLINGTON COUNTY BRIDGE COMMISSION

AND

THE COUNTY OF BURLINGTON, NEW JERSEY

DATED NOVEMBER \_\_, 2021

**THIS FIFTH AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT** (the "Fifth Amendment"), dated November \_\_, 2021 by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

**WITNESSETH:**

**WHEREAS**, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

**WHEREAS**, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

**WHEREAS**, the Commission is authorized by the Act to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease same to governmental units, including the County; and

**WHEREAS**, the Commission and the County executed an Equipment Lease and Agreement dated December 13, 2017 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2017C-1 Notes (as hereinafter defined), of the acquisition of vehicles and various pieces of capital equipment and the leasing thereof to the County, all as more fully described in the County's 2015 Capital Budget and in Exhibit B to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

**WHEREAS**, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$12,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2017C-1 (the "Series 2017C-1 Notes"); and

**WHEREAS**, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated December 13, 2017 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 201C-1 Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

**WHEREAS**, the Series 2017C-1 Notes matured on December 12, 2018; and

**WHEREAS**, at the direction of the County, the Commission issued \$12,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2017C-1 (the "Series 2017C-1 Notes") to refinance the maturing principal of the Series 2017C-1 Notes; and

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**WHEREAS**, in connection with the issuance of the Series 2018C-1 Notes, the Commission and the County amended certain provisions of (i) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease and to provide for the payment by the County of the Basic Rent for the Series 2018C-1 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the payment by the County of the Basic Rent for the Series 2018C-1 Notes allocated to the Improvement Project; and

**WHEREAS**, at the direction of the County, on November 21, 2019, the Commission issued \$25,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2019C-1 (the "Series 2019C-1 Notes") to refinance the maturing principal of the Series 2018C-1 Notes and finance additional costs of the Equipment Project and the Improvement Project; and

**WHEREAS**, in connection with the issuance of the Series 2019C-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2019C-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2019C-1 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2019C-1 Notes mature on November 20, 2020; and

**WHEREAS**, on November 12, 2020, the Commission issued its \$11,665,000 principal amount of Project Notes (Governmental Leasing Program), Series 2020C-1 (the "Series 2020C-1 Notes") to refinance the maturing principal of the Series 2019C-1 Notes, together with the proceeds of the Commission's Lease Revenue Bonds, Series 2020C-1; and

**WHEREAS**, in connection with the issuance of the Series 2020C-1 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2019C-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2019C-1 Notes allocated to the Equipment Project; and

**WHEREAS**, the Series 2020C-1 Notes mature on November 11, 2021; and

**WHEREAS**, at the direction of the County, the Commission is issuing \$ \_\_\_\_\_ principal amount of Project Notes (Governmental Leasing Program), Series 2020 (the "Series 2020C-1 Notes") to refinance a portion of the maturing principal of the Series 2019C-1 Notes and to finance additional costs of (i) the Improvement Project all as more fully described in Exhibit A to this Third Amendment and (ii) the Equipment Project all as more fully described in Exhibit A to the Third Amendment to Improvement Lease and Agreement, dated November \_\_, 2020 (the "Third Amendment to Equipment Lease"), between the Commission and the County; and

**WHEREAS**, in connection with the issuance of the Series 2021C-1 Notes, the Commission and the County desire to amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2021C-1 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2021C-1 Notes allocated to the Equipment Project; and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Second Amendment have been taken by the Commission and the County.

**NOW, THEREFORE**, the parties hereto mutually agree as follows:

**Section 1. Amendment to Section 1.1.** The following definitions set forth in the Original Equipment Lease are hereby deleted in their entirety and replaced by the following:

"Agreement" shall mean, collectively, the Equipment Lease and Agreement, dated December 13, 2017, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 29, 2018, as further amended by the Second Amendment to the Equipment Lease and Agreement, dated November 21, 2019, as further amended by the Third Amendment to the Equipment Lease and Agreement, dated November 12, 2020, as further amended by the Fourth Amendment to the Equipment Lease and Agreement, dated November 12, 2020, as further amended by the Fifth Amendment to the Equipment Lease and Agreement, dated November \_\_, 2021, and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Equipment Project Allocable Portion" shall mean the \_\_\_\_\_ % of the par amount of the Series 2017-1 Bond (as defined in the Resolution) issued as the Series 2021C-1 Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2021C-1 Notes, a fee of \$ \_\_\_\_\_. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \_\_\_\_\_.

"Lease Payment Date" shall mean with respect to the Series 2017-1 Bonds issued as the Series 2021C-1 Notes, a date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2021C-1 Notes, which date shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Series 2017-1 Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease shall be amended to include the following:

"Fifth Amendment" shall mean this Fifth Amendment to the Equipment Lease and Agreement, dated November \_\_, 2021.

"Series 2021C-1 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2021C-1 authorized and issued on November \_\_, 2021 in the aggregate principal amount of \$ \_\_\_\_\_ pursuant to Section 203 of the Resolution and references in the Original Equipment Lease to the "Series 2017C-1 Bonds" shall include the Series 2021C-1 Notes.

**Section 3. References to Official Statement.** References to the term "Official Statement" in Sections 3.2 and 5.11 of the Original Equipment Lease shall include the "Official Statement" for the Series 2021C-1 Notes, dated November \_\_, 2021.

**Section 4. Continuing Disclosure.** A new subsection (f) to Section 6.14 of the Original Equipment Lease is hereby added to read as follows:

"(f) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November \_\_, 2021, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2021C-1 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material. (iv) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the 2019A Bonds or the 2019B Notes, if material; and (v) default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the County, any of which reflect financial difficulties and where "Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule 15c(2)-12 promulgated and

adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 5. Amendment to Exhibit A.** Exhibit A of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Fifth Amendment, provided however that the Exhibit A set forth in the Third Amendment to the Equipment Lease shall remain in full force and effect and all references in the Original Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 6. Amendment to Exhibit B.** Exhibit B of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Fifth Amendment, provided however that the Exhibit B set forth in the Third Amendment to the Equipment Lease shall remain in full force and effect and all references in the Original Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 7. Full Force and Effect.** The Original Equipment Lease is hereby amended to the extent provided in this Third Amendment and, except as specifically provided herein, the Original Equipment Lease shall remain in full force and effect in accordance with its terms.

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**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by an Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_ By: \_\_\_\_\_  
Secretary Authorized Commission Representative

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_ By: \_\_\_\_\_  
Clerk of the Board of Chosen Authorized County Representative  
Freeholders

EXHIBIT A  
AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT



EXHIBIT B

AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

EQUIPMENT LEASE AND AGREEMENT  
BETWEEN  
BURLINGTON COUNTY BRIDGE COMMISSION  
AND  
COUNTY OF BURLINGTON, NEW JERSEY  
DATED DECEMBER 13, 2017

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EXHIBIT G	CERTIFICATE FOR SUBSTITUTION OF EQUIPMENT
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THIS EQUIPMENT LEASE AND AGREEMENT (the "Agreement"), dated December 13, 2017, by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

**WITNESSETH:**

**WHEREAS**, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

**WHEREAS**, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

**WHEREAS**, the Commission is authorized by the Act to lease to any governmental unit or Person, all or any part of any public facility, including but not limited to capital equipment, for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and agree upon; and

**WHEREAS**, at the request of the County, the Commission has determined to temporarily finance the costs of, *inter alia*, a project (the "Equipment Project") consisting of the acquisition of vehicles and various pieces of capital equipment and the leasing thereof to the County, all as more fully described in the County's 2015 Capital Budget and in Exhibit B to this Agreement (collectively, the "Equipment"), with a portion of the proceeds of its Lease Revenue Notes (2017-1 Governmental Leasing Program), Series 2017C-1 in the aggregate principal amount of \$12,000,000 (the "Series 2017C-1 Notes"); and

**WHEREAS**, the Equipment will be acquired by the Commission, at the direction of the County, and leased by the Commission to the County pursuant to the terms hereof for so long as the Equipment Project Allocable Portion of the Series 2017-1 Bonds remain Outstanding (as such term is defined in the hereinafter defined Resolution); and

**WHEREAS**, the Commission has, by a resolution entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2015 County Leasing Program), Series 2017", duly adopted September 18, 2017, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof (the "Resolution"), authorized the issuance of, *inter alia*, Lease Revenue Bonds or Notes, including the Series 2017 Notes, from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Equipment; and

**WHEREAS**, the principal portion of the Series 2017-1 Bonds (as hereinafter defined) initially issued as Series 2017C-1 Notes allocable to the Equipment Project is \$2,758,685.00 (the "Equipment Project Allocable Portion"); and

**WHEREAS**, all actions necessary and required under the Act for the due execution, delivery and performance of this Agreement have been taken by the Commission and the County; and

**WHEREAS**, the County has determined to lease the Equipment Project from the Commission pursuant to the terms and conditions set forth herein; and

**WHEREAS**, the Commission will, pursuant to and in accordance with the terms of the Act, provide for the payment of the costs of, *inter alia*, the Equipment Project through the issuance of the Series 2017-1 Bonds and the Debt Service (as hereinafter defined) on the Series 2017-1 Bonds shall be payable in part from Rentals (as hereinafter defined) representing the Equipment Project Allocable Portion to be received from the County pursuant to the terms and conditions set forth herein; and

**WHEREAS**, the Commission and the County agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of this Agreement pursuant to the powers conferred by the Act.

**NOW, THEREFORE**, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

**SECTION 1.1. Definitions.** The terms that are set forth in this Section shall, unless the context clearly requires otherwise, have the meanings which are set forth below. Terms that are used as defined terms herein but which are not defined herein shall have the meanings assigned to such terms in the Resolution (as hereinafter defined). Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"2015 Capital Plan" shall mean the capital budget approved by the County which identifies certain items of Equipment and capital improvements to be undertaken by or on behalf of the County with an aggregate value that does not exceed \$45,430,737, as same may be amended from time to time.

"Acceptance Certificate" shall mean a certificate substantially in the form set forth in Exhibit C annexed hereto and incorporated by this reference herein.

"Act" shall mean the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State (*N.J.S.A. 27:19-26, et seq.*), and the acts amendatory thereof and supplemental thereto.

"Additional Rent" shall mean all amounts payable by the County to the Commission pursuant to Section 3.1(b) hereof including, but not limited to, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, any amounts in excess of Basic Rent necessary to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2017-1 Bonds, all costs and expenses incurred in connection with any purchase of the Equipment

constituting the Equipment Project by the County prior to expiration of the Lease Term including reasonable attorneys' fees and verification fees, and all direct and indirect costs and expenses incurred by the Commission and the Trustee related to the enforcement of this Agreement, including reasonable attorneys' fees related thereto.

"Aggregate Debt Service Obligation" shall have the meaning assigned to such term in Section 3.7(b) hereof.

"Agreement" shall mean this Equipment Lease and Agreement, dated December 13, 2017, by and between the Commission and the County and any and all modifications, alterations, amendments and supplements hereto which are made in accordance with the provisions hereof and the provisions of the Resolution.

"Authorized Commission Representative" shall mean the Chairman, Vice Chairman, Treasurer, Executive Director or any other Person or Persons authorized to act on behalf of the Commission by a written certificate signed on behalf of the Commission by the Chairman or Vice Chairman of the Commission containing the specimen signature of each such Person.

"Authorized County Representative" shall mean any Person or Persons authorized to act on behalf of the County by a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of Chosen Freeholders, the County Treasurer or the County Chief Financial Officer and containing the specimen signature of each such Person, which form of certificate is set forth as Exhibit F annexed hereto and incorporated by this reference herein.

"Authorizing Instrument" shall mean Ordinance No. 2015-00668 duly adopted by the Board of Chosen Freeholders of the County on November 12, 2015 approving and authorizing the execution and delivery of, *inter alia*, this Agreement.

"Basic Rent" shall mean (i) the sum of money representing principal and interest necessary to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2017-1 Bonds, payable by the County on each Lease Payment Date, as set forth in Exhibit A annexed hereto (as same may be amended in connection with the issuance by the Commission of an additional Series of Series 2017-1 Bonds, if any) and incorporated by this reference herein and as described in Section 3.1(a) hereof; and (ii) the sum of money required to pay the Equipment Project Allocable Portion of the Redemption Price (as defined in the Resolution), if any, to the extent required to redeem the Series 2017-1 Bonds pursuant to Article IV of the Resolution.

"Bond Counsel" shall mean such lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Commission.

"Bonds" shall mean the Outstanding Series 2017-1 Bonds of the Commission authorized and issued pursuant to Article II of the Resolution, including the Series 2017C-1 Notes.

"Business Day" shall mean any day that is not a Saturday, Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Registrar, any Paying Agent, the Commission or the County is legally authorized to close.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

"Commission" shall mean the Burlington County Bridge Commission, a public body corporate and politic of the State organized and existing under the Act and created pursuant to a resolution of the Board of Chosen Freeholders of the County adopted on October 22, 1948, and any successor to its duties and functions.

"Commission Administrative Expenses" shall mean the Equipment Project Allocable Portion of any and all expenses of the Commission and its agents, professionals and employees incurred or to be incurred by or on behalf of the Commission in the administration of its responsibilities under the Resolution and this Agreement including, but not limited to, (i) the Initial Commission Financing Fee, (ii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of the Series 2017-1 Bonds, the financing of the Equipment Project or the compelling of the full and punctual performance of the Resolution and this Agreement in accordance with the terms thereof and hereof, and (iii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Registrar, the Trustee or any other Fiduciaries and their counsel in connection with the performance of their respective fiduciary responsibilities under the Resolution and this Agreement, all to the extent not capitalized pursuant to the requirements of the Resolution, which Equipment Project Allocable Portion of the Commission Administrative Expenses shall be paid as Additional Rent by the County.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement among the Commission, and the Trustee, acting as dissemination agent, dated December 13, 2017, as the same may be amended or supplemented from time to time.

"Cost" or "Costs" shall mean and be deemed to include, with respect to any Item of Equipment, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Agreement, (a) the costs of payment of, or reimbursement for, acquisition, installation and financing of each such Item of Equipment including, but not limited to, advances or progress payments, installation costs, administrative costs and capital expenditures relating to installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs; (b) the Equipment Project Allocable Portion of the fees and charges of the Trustee pursuant to the Resolution, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Commission Financing Fee for the Series 2017-1 Bonds, all professional and consulting fees and charges of the Commission and the County, costs of rating agencies, bond insurance, fees for the printing, execution, transportation and safekeeping of the Series 2017-1 Bonds, and any charges and fees in connection with any of the foregoing; (c) all other costs which the County or the Commission shall be required to pay under the terms of any contract or contracts for the acquisition and installation of any Item of Equipment constituting the Equipment Project including, but not limited to, the cost of insurance; (d) any sums required to reimburse the County for advances made for any of the above items, or for any other costs which are properly incurred and for work done, which is properly chargeable to any Item of Equipment; (e) the Equipment Project Allocable Portion of the deposits in any Fund or Account under the terms of the Resolution, all as shall be provided in

the Resolution; (f) the payment of Debt Service on the Notes; (g) the Equipment Project Allocable Portion of the Commission Administrative Expenses; and (h) such other expenses which are not specified herein as may be necessary or incidental to the acquisition and installation of any Item of Equipment, the financing thereof and the placing of the same in use and operation. "Cost" or "Costs", as defined herein, shall be deemed to include the Equipment Project Allocable Portion of the cost and expenses incurred by any agent of the Commission or the County with respect to any of the above-mentioned items.

"County" shall mean the County of Burlington, New Jersey, a public body corporate and politic of the State.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to the Equipment Project Allocable Portion of the Series 2017-1 Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Equipment Project Allocable Portion of the Series 2017-1 Bonds except to the extent such interest is to be paid from deposits made from Series B Bond proceeds into the Equipment Project Account of the Debt Service Fund, if any, and (ii) the amount that is required to pay the Principal Amount due on such Equipment Project Allocable Portion of the Series 2017-1 Bonds during such period. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Debt Service Fund" shall mean the Debt Service Fund created and established in Section 502(5) of the Resolution.

"Debt Service Requirement" with respect to any Bond Payment Date for the Series 2017-1 Bonds shall mean, interest accrued and unpaid and to accrue to such date plus the Principal Amount due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Default" or "Event of Default" shall mean one or more of the events of default as defined in Section 7.1 hereof but not under the Resolution.

"Equipment" or "Item(s) of Equipment" shall mean the capital equipment described in Exhibit B annexed hereto and incorporated by this reference herein to be purchased and acquired on behalf of the County with the proceeds of the Series 2017-1 Bonds, including the Series 2017C-1 Notes, and including any item of capital equipment appearing on Exhibit B as Exhibit B is amended, supplemented and restated from time to time in connection with any capital equipment acquired by or on behalf of the County as permitted hereunder in substitution for, as a renewal or replacement of, or a modification or addition to, an Item of Equipment then described in Exhibit B.

"Equipment Project" shall mean the acquisition and installation of the Equipment permanently financed and/or refinanced with the proceeds of the Series 2017-1 Bonds, together with all necessary and incidental equipment, apparatus, structures and appurtenances necessary or desirable for the efficient operation of such Equipment, all as described in Exhibit B annexed hereto and incorporated by this reference herein.

"Equipment Project Account" shall mean the respective Accounts of the Project Fund, Revenue Fund, Operating Fund, Proceeds Fund, Debt Service Fund and Rebate Fund established pursuant to Article V of the Resolution.

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"Equipment Project Allocable Portion" shall mean 22.99% of the par amount of the Series 2017-1 Bonds issued as the Series 2017C-1 Notes.

"Favorable Opinion of Bond Counsel" shall mean an opinion of Bond Counsel, addressed to the Commission, the Trustee and the County, to the effect that the action proposed to be taken is authorized or permitted by the Resolution and the Act and will not adversely affect the exclusion of interest on the Series 2017-1 Bonds from gross income for purposes of Federal income taxation under Section 103 of the Code.

"Fiduciary" or "Fiduciaries" shall mean the Trustee, the Paying Agent, the Registrar, the dissemination agent under the Continuing Disclosure Agreement, if any, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean the twelve (12) month fiscal period of the County or the Commission, as applicable.

"Initial Commission Financing Fee" shall mean the initial financing fee of the Commission for the Series 2017-1 Bonds, which shall be in an amount equal to 0.08% of the par amount of the Series 2017-1 Bonds. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$2,298.81.

"Lease Payment" shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County upon demand pursuant to Section 3.1 hereof, respectively.

"Lease Payment Date" shall mean with respect to the Series 2017-1 Bonds issued as Series 2017C-1 Notes, December 12, 2018 or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Series 2017-1 Bonds, if any, which dates shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Refunding Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

"Lease Term" shall mean the period during which this Agreement or the lease of any Item of Equipment, as the case may be, is in effect as specified in Section 2.2 hereof.

"Person" or "Persons" shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

"Principal Amount" shall mean, as of any date of calculation, and with respect to any Outstanding Series 2017-1 Bonds, the principal amount thereof.

"Proceeds" shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to any Item of Equipment, remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 5.3 of this Agreement,

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any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

"Proceeds Fund" shall mean the Proceeds Fund created and established under Section 502(4) of the Resolution.

"Project Fund" shall mean the Project Fund created and established pursuant to Section 502(1) of the Resolution.

"Purchase Option Price" shall have the meaning that is assigned to such term in Section 3.7(b) hereof.

"Rent", "Rental(s)" or "Rental Payment" shall mean the sum of Basic Rent and Additional Rent, which is payable by the County in connection with the lease of the Equipment constituting the Equipment Project pursuant to the terms of this Agreement.

"Resolution" shall mean the resolution duly adopted by the Commission on September 18, 2017, entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2017-1 County Leasing Program), Series 2017", as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

"Series 2017-1 Bonds" shall mean the Commission's Lease Revenue Bonds or Notes (as defined in the Resolution) issued from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Equipment.

"Series 2017C-1 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2017C-1 authorized and issued on December 13, 2017 in the aggregate principal amount of \$12,000,000 pursuant to Section 203 of the Resolution.

"State" shall mean the State of New Jersey or any successor to its duties and functions.

"Substitution Certificate" shall mean the certificate executed by an Authorized County Representative, pursuant to Section 8.1 of this Agreement, and substantially in the form set forth in Exhibit G annexed hereto and incorporated by this reference herein.

"Trustee" shall mean, with respect to the Series 2017-1 Bonds, TD Bank, National Association and its successors or assigns or any other bank, trust company or national banking association appointed trustee pursuant to the Resolution.

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## ARTICLE II

### LEASE OF EQUIPMENT; TERM OF LEASE; ACQUISITION OF EQUIPMENT

**SECTION 2.1. Lease of Equipment.** The Commission hereby agrees to lease to the County, and the County hereby agrees to take and hire from the Commission each Item of Equipment on the terms and conditions set forth in this Agreement for the purpose of financing the Equipment Project Allocable Portion of the Project.

**SECTION 2.2. Term of Lease.** Subject to the provisions of Section 9.10 hereof, the Lease Term for the Equipment shall commence on the date hereof and shall terminate on the first date upon which the Equipment Project Allocable Portion of the Series 2017-1 Bonds are no longer deemed to be Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the provisions of this Agreement for a reason other than the Default of the County of any obligation hereunder. The Lease Term for any Item of Equipment shall be deemed to commence on the date hereof and end on the respective dates specified in Exhibit B annexed hereto with respect to each such Item of Equipment.

### SECTION 2.3. Completion of Acquisition of Items of Equipment.

(a) The Commission agrees to acquire and install or cause the County to acquire and install each of the Items of Equipment specified in Exhibit B pursuant to the specifications prepared by or on behalf of the County. The Commission and the County agree that the County will be responsible for the letting of contracts for the purchase and installation of the Items of Equipment and for supervising the installation and acceptance of the Items of Equipment.

(b) Contracts to be let in connection with the purchase and installation of each Item of Equipment shall be let in accordance with all applicable State competitive bidding laws.

(c) Upon delivery of each Item of Equipment to the County, the County shall cause an Authorized County Representative to inspect the same and, either (i) if such Item of Equipment is found to be in good condition, to accept such Item of Equipment and to execute and deliver an Acceptance Certificate in the form set forth in Exhibit C attached hereto and the requisition in the form set forth in Exhibit E attached hereto for payment of such Item of Equipment required by the terms of the Resolution (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof) to the Commission within ten (10) Business Days of inspection, which Acceptance Certificate and related requisition for payment (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof) shall be forwarded to the Trustee for payment, or (ii) if the County, acting in good faith, should find that such Item of Equipment is not in good condition or in accordance with specifications therefor, the County shall return or direct the Commission to return the same to the manufacturer or supplier thereof. Upon presentation of an Acceptance Certificate and the requisition required by the terms of the Resolution (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof), the Trustee will pay the Cost of such Item of Equipment pursuant to the terms of the Resolution. In the event the County determines that an Item of Equipment is not in good condition or in accordance with specifications therefor and the County returns or directs the Commission to return an Item of Equipment to the manufacturer which was

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not delivered in good working order and substitute, replacement or additional Equipment is not procured in a timely manner such that an Acceptance Certificate and requisition for payment of the County are not submitted to the Commission for approval and forwarded to the Trustee for full payment on or before eighteen (18) months after the date of original issuance of the Series 2017-1 Bonds and in accordance with the time periods and percentages specified in Section 2.3(a) hereof such that the Series 2017-1 Bonds are not deemed to have been "spent" in accordance with the Code, the County shall pay to the Commission as Additional Rent the cost and expense of the performance of an arbitrage rebate calculation. The County shall also be required to pay arbitrage rebate moneys to the Commission in the event the County's failure to "spend" Series B Bond proceeds attributable to the Equipment Project, requires the Commission to rebate money to the Internal Revenue Service. The obligation of the County to pay the Commission the cost and expense of the performance of an arbitrage rebate calculation and arbitrage rebate moneys shall survive the expiration of the Lease Term and the final maturity of the Series 2017-1 Bonds.

(d) In the event the County fails to comply with the provisions regarding the eighteen (18) month rebate exception under the Code and the Series 2017-1 Bonds are subject to arbitrage rebate, all amounts to be rebated to the Internal Revenue Service by the Commission which are required hereunder to be paid by the County to the Commission as Additional Rent shall be the obligation of the County, whose failure to comply resulted in the Series 2017-1 Bonds being subject to arbitrage rebate. The obligation of the County to pay to the Commission arbitrage rebate moneys and the cost and expense of the performance of an arbitrage rebate calculation shall survive the expiration of the Lease Term for all Equipment and the final maturity of the Equipment Project Allocable Portion of the Series 2017-1 Bonds.

(e) Upon delivery of the Equipment to the County, the Commission shall hold title thereto during the Lease Term. At the time the County delivers the Acceptance Certificate and the requisition for payment to the Commission for approval, it shall also provide to the Commission all documents and certificates evidencing title to such Item of Equipment, which title shall be in the name of the Commission during the Lease Term pursuant to Section 6.1 hereof.

SECTION 2.4. Issuance of Series 2017-1 Bonds.

(a) In order to provide funds for, among other things, the payment of the Costs of the Equipment Project, the Commission will use its best efforts to issue, sell and deliver the Series 2017-1 Bonds.

(b) The County shall cooperate with the Commission in furnishing to the Commission and the Trustee all documents required to effectuate the completion of the Equipment Project, including the execution and delivery of certificates, resolutions, opinions and disclosure materials necessary in connection therewith.

(c) In the event the County notifies the Commission and the Trustee that moneys in the Equipment Project Account of the Project Fund are not sufficient to purchase all of the Equipment, the County shall be obligated to pay the balance of the purchase price of the Equipment out of legally available funds therefor. In the event the County acquires an Item of Equipment with a purchase price greater than the moneys allocated to such Item of Equipment as indicated by Exhibit B or Exhibit C, if applicable, annexed hereto, the County shall pay the balance of such moneys to the Trustee for deposit in the Equipment Project Account of the Project Fund and the Trustee shall be directed by the Commission to pay the Cost of Equipment in accordance with the provisions of Section 2.5(b) hereof. In such event, the County shall not be entitled to any reimbursement from the Commission as a result of such payment.

(d) In the event the County pays to the Trustee sums needed to fund the balance of the Cost of the Equipment in accordance with the provisions of Section 2.4(c) hereof, the County shall complete Exhibit E (Paragraphs 6 and 7) attached hereto to reflect the amount of money forwarded by the County to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to make up the deficiency in such Cost of the Equipment.

SECTION 2.5. Application of Series B Bond Proceeds and Other Funds.

(a) Upon original issuance of the Series 2017-1 Bonds, the Equipment Project Allocable Portion of the Series 2017C-1 Bond proceeds shall be applied as follows: to the Trustee (i) an amount equal to the Equipment Project Allocable Portion of the accrued interest on the Series 2017-1 Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund; (ii) the amount representing the Equipment Project Allocable Portion of the costs of issuance on the Series 2017-1 Bonds, including the Equipment Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Equipment Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution; and (iii) the balance allocated shall be deposited into the Equipment Project Account of the Project Fund and paid in accordance with Section 503 of the Resolution.

(b) The Commission has in the Resolution authorized and directed the Trustee to make payments from the Equipment Project Account of the Project Fund to pay the Costs of the Equipment Project upon receipt by the Commission and the Trustee of an Acceptance Certificate (in the form set forth in Exhibit C attached hereto) and a requisition (in the form set forth in Exhibit E attached hereto), each signed by an Authorized County Representative and approved by an Authorized Commission Representative (which approval shall not be unreasonably

withheld), which requisition shall certify with respect to each payment to be made: (1) the requisition number, (2) the name and address of the Person, firm, corporation or agency to whom payment is due or has been made, (3) the amount to be paid, (4) the Item(s) of Equipment to which the requisition relates and (5) that each obligation, item of cost or expense mentioned therein has been properly incurred, is a Cost and is a proper charge against the Equipment Project Account of the Project Fund and has not been the subject of any previous withdrawal.

(c) In connection with the approval of requisitions by the Commission, nothing herein contained shall prevent the County, acting on behalf of and as agent for the Commission in connection with the acquisition and installation of the Equipment, from making all final determinations in connection with the interpretation and performance of any contracts for the acquisition and installation of the Equipment.

(d) The Commission agrees to cooperate with the County in furnishing to the Trustee any documents required to effect payments out of the Equipment Project Account of the Project Fund in accordance with this Section 2.5 and Section 2.4(d) hereof. Such payment obligation of the Commission is subject to any provisions of the Resolution requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Equipment Project Account of the Project Fund available for payment under the terms of the Resolution.

(e) Pursuant to Sections 503(2)(d) and (e) of the Resolution, after the delivery and filing of an Acceptance Certificate for an Item of Equipment by the County to the Commission, and the Trustee, and to the extent Series B Bond proceeds remain in the Equipment Project Account of the Project Fund allocable to such Item of Equipment, and upon delivery to the Trustee of written instructions of an Authorized Commission Representative, an amount equal to the Equipment Project Allocable Portion of the Commission Administrative Expenses for the year shall be transferred by the Trustee and deposited in the Equipment Project Account of the Operating Fund. Any balance of Series B Bond proceeds remaining in the Equipment Project Account of the Project Fund allocable to such Item of Equipment, after application of such moneys in accordance with the preceding sentence, shall be applied to the additional Items of Equipment or transferred to the Equipment Project Account of the Debt Service Fund and applied by the Trustee as a credit toward the County's Basic Rent obligation on the next succeeding Lease Payment Date in accordance with Section 503 of the Resolution.

(f) All interest earned on any moneys or investments in the Equipment Project Accounts of each of the Project Fund, the Debt Service Fund and the Proceeds Fund shall be transferred by the Trustee to the Equipment Project Account of the Proceeds Fund and shall be applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with the provisions of Section 507(4) of the Resolution.

(g) Nothing herein shall be construed to prevent the Trustee from making advance, partial or progress payments from the Equipment Project Account of the Project Fund for application to the Cost of the Equipment in the event the County is acquiring Equipment under any contract requiring partial or progress payments. In such event, the County shall complete the requisition for advance, partial or progress payments set forth in Exhibit D which is attached hereto and incorporated by reference herein to requisition moneys for such partial payment, which requisition shall be delivered to the Commission and filed with the Trustee. The County

shall also provide evidence satisfactory to the Commission and the Trustee of compliance with the requirements of Section 5.8 hereof. Notwithstanding the foregoing, the final requisition for a partial payment by the County shall be accompanied by an Acceptance Certificate pursuant to Section 2.5 hereof.

SECTION 2.6. County's Liability. As between the Commission and the County, the County assumes liability for all risks of loss during the acquisition, delivery, installation and use of each Item of Equipment. The County shall maintain, or shall demonstrate to the satisfaction of the Commission, that adequate self-insurance is provided with respect to each Item of Equipment, or require each manufacturer or supplier of each Item of Equipment to maintain, in force during the entire acquisition, delivery and installation period of each Item of Equipment, property damage insurance in an amount not less than the full value of all work done and materials and equipment provided or delivered by each such manufacturer or supplier, comprehensive liability insurance, worker's compensation insurance and other insurance required by law or customarily maintained with respect to like equipment. The existence of such insurance coverage shall be evidenced at the time the Item of Equipment is ordered by the County. Any damages or other moneys from any manufacturer or supplier of equipment or its surety paid to the County pursuant to this Section 2.6 shall be paid to the Trustee for deposit in the Equipment Project Account of the Project Fund (in accordance with written instructions) to the extent necessary to complete the acquisition of such Item of Equipment. Upon the delivery of a certificate of an Authorized County Representative to the Trustee, moneys from any manufacturer, supplier or surety not necessary to complete the acquisition of such Item of Equipment shall be transferred by the Trustee to the Equipment Project Account of the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with Sections 503(2)(f) and 507(4) of the Resolution.

SECTION 2.7. Possession and Enjoyment. From and after the installation and acceptance by the County of each Item of Equipment in accordance with the terms of this Agreement, during the Lease Term of each Item of Equipment, the County shall have the quiet use and enjoyment of each Item of Equipment, and the County shall during the Lease Term peaceably and quietly have and hold and enjoy each Item of Equipment, without suit, trouble or hindrance from the Commission, except as expressly set forth in this Agreement. The Commission will, at the request of the County and at the County's cost, join in any legal action in which the County asserts a right to such possession and enjoyment to the extent the Commission lawfully may do so.

SECTION 2.8. Commission Access to Equipment. The County agrees that the Commission shall have the right, but not the obligation, during the County's normal working hours on the County's normal working days to examine and inspect each Item of Equipment for the purpose of assuring that each Item of Equipment is being properly maintained, preserved, and kept in good repair, working order and condition, except in the event of emergency (which shall be determined by the Commission), when such examination and inspection can be made by the Commission at any time. The County further agrees that the Commission shall have such rights of access to each Item of Equipment as may be reasonably necessary to cause the proper maintenance of each Item of Equipment in the event of failure by the County to perform its obligations hereunder.

SECTION 2.9. Disclaimer of Warranties. THE COMMISSION, BY DELIVERY OF THIS AGREEMENT, MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY ITEM OF EQUIPMENT, OR WARRANTY WITH RESPECT THERETO. In no event shall the Commission be liable for any damages, incidental, indirect, special, consequential or otherwise, in connection with or arising out of this Agreement or the existence, furnishing, maintenance, functioning or the County's use of any Item of Equipment or products or services provided for in this Agreement.

SECTION 2.10. Manufacturers' Warranties. So long as the County shall not be in default hereunder, the Commission hereby agrees to the appointment of the County as the Commission's agent and attorney-in-fact during the Lease Term for each Item of Equipment, to assert from time to time whatever claims and rights, including warranties of such Item of Equipment, which the Commission may have against the manufacturer or supplier of such Item of Equipment. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or supplier of such Item of Equipment and not against the Commission, nor shall such matter have any effect whatsoever on the rights of the Commission with respect to this Agreement, including the right to receive full and timely Lease Payments hereunder. The County expressly acknowledges that the Commission does not make, nor has it ever made, any representation or warranty whatsoever as to the existence or availability of such warranties of the manufacturer or supplier of any Item of Equipment.

ARTICLE III

RENTALS AND OTHER PAYMENTS

SECTION 3.1. Payment of Rentals. The Commission and the County each acknowledge and agree that the Basic Rent payments due under this Agreement for the Items of Equipment purchased by the Commission (as set forth in Exhibit B hereto) reflect the Costs of the Equipment Project. By execution hereof, the County agrees to repay to the Commission the Cost of the Equipment Project and to pay Additional Rent in connection therewith as follows:

(a) The County shall pay to the Trustee, at the address set forth in Section 9.7 hereof, as Basic Rent on each Lease Payment Date, the amount in accordance with the schedule of Basic Rent set forth in Exhibit A hereto, as modified by any Substitution Certificate (annexed hereto as Exhibit G) delivered by the County pursuant to Section 8.1(b) hereof which, together with other moneys and interest and investment earnings available therefor, if any, will equal the County's Basic Rent obligation which is to be applied to the payment of the Equipment Project Allocable Portion of the Debt Service due on the Series 2017-1 Bonds on the next succeeding Bond Payment Date.

(b) The County shall pay to the Trustee, as the same shall become due and payable at any time during the Lease Term, on the Lease Payment Date or thirty (30) days after demand by the Commission or the Trustee, the following Additional Rent for the Equipment Project:

SECTION 3.2. Indemnification.

(a) Both during the Lease Term and, thereafter, the County shall, to the extent permitted by State law, indemnify and hold the Commission and the Trustee harmless against, and the County shall pay any and all liability, loss, cost, damage, claims, judgments or expenses (including reasonable attorneys' fees and expenses), of any and all kinds or nature and howsoever arising, other than as a result of the gross negligence or willful misconduct of the Commission or the Trustee, their members, officers, agents, professionals, servants or employees, which the Commission or the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or both, or upon or arising out of contracts entered into by the County or the Commission relating to the Equipment, or the bidding or awarding of contracts with respect thereto, or arising out of the Commission's ownership of the Equipment or the leasing thereof to the County or arising out of the acquisition, installation, use, operation or maintenance of the Equipment pursuant to the terms of this Agreement, or arising out of or caused by any untrue or misleading statement of a material fact relating to the County, if any, in the Official Statement of the Commission dated November 29, 2017 (the "Official Statement") or any omission of any material fact relating to the County in the Official Statement. It is mutually agreed by the County and the Commission that, after commencement of the Lease Term as provided in Section 2.2 hereof, neither the Commission, the Trustee nor their respective members, commissioners, officers, agents, professionals, servants or employees shall be liable in any event for any action performed under this Agreement and that the County shall, to the extent permitted by State law, save the Commission and the Trustee harmless from any claim or suit of whatsoever nature arising hereunder except for such claims or suits arising as a result of the Commission's or the Trustee's gross negligence or willful misconduct. This provision shall survive the end of the Lease Term and the final maturity of the Equipment Project Allocable Portion of the Series 2017-1 Bonds.

(b) The County, at its own cost and expense, shall, to the extent permitted by State law, defend any and all such claims, suits and actions which may be brought or asserted against the Commission, the Trustee or their respective members, commissioners, officers, agents, professionals, servants or employees relating to the performance of their respective obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Agreement from its obligation to defend the County, the Commission, the Trustee and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy. The County agrees that it shall give the Commission and the Trustee prompt notice, in writing, of the County's knowledge of the filing of each such claim and the institution of each such suit or action.

(c) The Commission agrees that it:

- (1) shall give the Authorized County Representative prompt notice, in writing, upon its knowledge of the filing of each such claim and the institution of each such suit or action;
- (2) shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action; and

- (1) The Equipment Project Allocable Portion of the Commission Administrative Expenses as shall have been submitted by the Commission to the Trustee and to an Authorized County Representative as contained in a certificate executed by an Authorized Commission Representative;
- (2) The Equipment Project Allocable Portion of the fees and expenses of the Trustee, the Registrar and any Paying Agents for the Series 2017-1 Bonds;
- (3) Insurance policy premiums if paid by the Commission pursuant to Section 5.6 hereof; and
- (4) Any other Additional Rent.

(c) The Commission shall deliver to the County and the Trustee a certificate, from time to time as necessary, which reflects credits, if any, to be applied toward the Basic Rent obligation of the County in accordance with the provisions hereof and of the Resolution.

In accordance with the Resolution, the County shall be notified annually, in writing, by the Trustee of the amounts arising from investment earnings, if any, but such amounts shall not be applied as a credit against the Basic Rent payment obligations of the County except as set forth in Section 507(4) of the Resolution. In the event a dispute arises between the Commission and the County with respect to the amount of Basic Rent due and owing by the County, or the credits to be applied toward the County's Basic Rent obligation, such dispute shall be resolved by the Commission. The Trustee shall have no obligation with respect thereto. Notwithstanding any credits which may accrue to the County during the Lease Term, the County is obligated to pay all amounts which constitute Rentals which are due under this Agreement.

(d) Any Rentals due and owing pursuant to this Section 3.1 which are not paid by the County on or before the due date thereof shall, from and after said due date, bear interest (to the extent permitted by State law) at the highest rate per annum borne by the then Outstanding Series 2017-1 Bonds of the Commission until paid, time being of the absolute essence of this obligation. Any interest amounts owed by the County pursuant to this Section 3.1(d) shall constitute Additional Rent and shall be paid to the Trustee after demand by the Commission.

(e) All Rental Payments by the County shall be made in immediately available funds and shall be paid to the Trustee at the address set forth in Section 9.7 hereof.

(f) By execution hereof, the County expressly acknowledges the Commission's right to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel compliance and to enforce the County's full and timely payment of Basic Rent payments hereunder.

(3) shall permit the County to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the County shall keep the Commission informed as to the progress of any suit, claim or action, and the County shall not reach a final settlement, adjustment or compromise without the Commission's prior approval, which approval shall not be unreasonably withheld.

(d) To the extent permitted by State law, any reasonable cost incurred by the Commission or the Trustee for its respective attorneys, experts' testimony costs and any and all reasonable costs to defend the Commission or the Trustee or any of its respective directors, officials, members, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Trustee for the benefit of the Commission or the Trustee, as the case may be, by the County hereunder, as a Equipment Project Allocable Portion of a Commission Administrative Expense constituting Additional Rent under Section 3.1(b) hereof.

SECTION 3.3. Nature of Obligations of the County.

(a) The County shall be obligated to pay all amounts due under this Agreement which constitute Rentals, including Equipment Project Allocable Portion of Commission Administrative Expenses, which amounts shall be sufficient to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2017-1 Bonds and to fulfill its payment obligations hereunder. The obligation of the County to pay Rentals and to pay all other amounts provided for in this Agreement and to perform its obligations under this Agreement shall be absolute and unconditional, and such Rentals and other amounts shall be payable without any rights of set-off, recoupment or counterclaim it might have against the Commission, the Trustee or any other Person and whether or not the Equipment is purchased or is used by the County or available for use by the County.

(b) The County shall not terminate this Agreement (other than such termination as is provided for hereunder) or be excused from performing its obligations hereunder or be entitled to any abatement of its obligation to pay or cause to be paid Rentals or any other amounts hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Equipment, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Equipment, or the failure of the Commission to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

SECTION 3.4. County Lease Payment Obligation. Notwithstanding anything in this Agreement to the contrary, the cost and expense of the performance by the County of its obligations under this Agreement and the incurring of any liabilities of the County under this Agreement including, without limitation, the obligation for the payment of all Rentals and all other amounts required to be paid by the County under this Agreement is a direct and general obligation for which the full faith and credit of the County is hereby pledged, which obligation is not subject to County appropriation and, unless the Rentals and such other amounts required to be paid by the County under this Agreement are paid from other sources, the County shall be

obligated to levy *ad valorem* taxes on all taxable real property within the jurisdiction of the County without limitation as to rate or amount.

**SECTION 3.5. Nature of Obligations of the Commission.** The cost and expense of the performance by the Commission of any of its obligations under the terms of this Agreement shall be limited to the availability of the Equipment Project Allocable Portion of the proceeds of the Series 2017-1 Bonds which have been issued for such purposes or from other funds received by the Commission under the terms of this Agreement or from insurance policies held by or for the benefit of the Commission and which are available for such purposes.

**SECTION 3.6. Assignment of Payments by Commission.**

(a) It is understood that all payments which are received by the Commission from the County under the terms of this Agreement (except payments which are made pursuant to Sections 3.1(b) and 3.2 hereof) are to be assigned by the Commission to the Trustee pursuant to the terms of the Resolution. Such assignment of payments by the Commission to the Trustee shall impose no duties or responsibilities on the Trustee with respect to the obligations of the Commission under the Resolution or this Agreement. To the extent any payments made pursuant to Section 3.2 hereof are derived from the Equipment Project Allocable Portion of the proceeds of the Series 2017-1 Bonds, such payments shall nonetheless be assigned by the Commission to the Trustee pursuant to the terms of the Resolution.

(b) The Commission agrees to notify the County, by the execution of an appropriate instrument making such assignment to the Trustee, and the County consents to such assignment and agrees that, upon receipt of such notification, it will pay directly to the Trustee at its principal corporate trust office all payments which are due and payable by the County to the Commission pursuant to the terms of this Agreement (except payments which are required to be made pursuant to Sections 3.1(b) and 3.2 hereof) without any defense, set-off or counterclaim arising out of any default on the part of the Commission hereunder. Except as provided in this Section 3.6, the Commission shall not assign this Agreement or any payments which are required to be made under the terms of this Agreement. Except as provided in Section 7.2 hereof, the Commission shall not sell or otherwise encumber its interest in the Equipment.

**SECTION 3.7. Option to Purchase Equipment Prior to Expiration of Agreement.**

(a) As long as no Event of Default has occurred and is continuing, the County shall have and may exercise, at any time prior to the expiration of the Lease Term, the option to purchase the Equipment upon payment to the Commission of the purchase price therefor in an amount as provided in paragraph (b) below. The County may exercise such option upon thirty (30) calendar days' prior written notice to the Commission and the Trustee.

(b) In the event the County determines to exercise its option to purchase the Equipment, the County shall deposit with the Trustee an amount which is equal to the Purchase Option Price. The Purchase Option Price as of any date shall mean the amount equal to (i) the aggregate amount of principal and interest and redemption premium, if any (collectively, the "Aggregate Debt Service Obligation"), payable in respect of the Equipment Project Allocable Portion of the then Outstanding Series 2017-1 Bonds at their maturity or earliest optional redemption date, if any, plus (ii) any Additional Rent and other amounts due and owing pursuant

to Sections 3.1(a) and (b) hereof, including but not limited to, escrow verification fees. The principal and interest as of each Lease Payment Date (based on the assumption that all other scheduled payments due on and prior to such date have been paid) with respect to the Equipment Project is as shown on Exhibit A which is attached hereto and which by this reference is made a part hereof as if set forth in full herein (which shall be amended in connection with the issuance of any additional Series of Refunding Bonds). All payments of Basic Rent which have been made by the County under the terms of Section 3.1(a) hereof prior to the date of the notice delivered by the County, as provided above, shall be credited toward the purchase price of the Equipment in arriving at the Purchase Option Price. The Purchase Option Price may be paid in such lesser amount such that, upon investment of all or a portion thereof in obligations described in subparagraph (a) of the definition of "Investment Securities" contained in Section 101 of the Resolution, the maturing principal of and interest on which (together with any uninvested cash) shall be sufficient to pay the Aggregate Debt Service Obligation, payable in respect of the Equipment Project Allocable Portion of the then Outstanding Series 2017-1 Bonds at their maturity or earliest optional redemption date, if any, plus Additional Rent and other amounts due and owing pursuant to clause (ii) hereof.

(c) Upon the exercise by the County of its option to purchase the Equipment (as evidenced by the deposit of the Purchase Option Price with the Trustee, as required by paragraph (b) above), the County shall have no further obligation under the terms of this Agreement; provided, however, that the provisions of Section 3.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such exercise. Upon the exercise of the County's option to purchase the Equipment, the Commission and the County shall take all necessary actions to authorize, execute and deliver any and all documents which are required to transfer the Commission's interest in the Equipment to the County.

**SECTION 3.8. Transfer of Title to Equipment.** In the event that the County has made payment of all Rentals, as provided in this Article III, throughout the Lease Term, or has exercised its option to purchase the Equipment, as provided in Section 3.7 hereof, and no Event of Default shall have occurred and be continuing, title to the Equipment shall be transferred to the County. Such transfer shall occur upon receipt by the Commission of notice from the Trustee of receipt by the Trustee of the final Rental Payment or the Purchase Option Price, as the case may be. In such event, this Agreement shall terminate and all of the rights, duties and obligations of the parties hereto shall cease as of the date of such notice, except that the provisions of Section 3.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such termination.

**ARTICLE IV**

**LEASE TERM; RENEWAL**

**SECTION 4.1. Lease Term for Item(s) of Equipment.** The Lease Term for all Items of Equipment shall terminate when the Equipment Project Allocable Portion of the Series 2017-1 Bonds are no longer Outstanding and when the County shall have paid to the Commission and the Trustee all Rentals and other amounts due and owing pursuant to the provisions of this Agreement, unless sooner terminated in accordance with the provisions of this Agreement for a reason other than the Default of the County of any obligation hereunder.

Notwithstanding the above, in the event the County fails to comply with the provisions of this Agreement, the Commission and the Trustee may pursue remedies in accordance with Article VII hereof.

**SECTION 4.2. Effect of Noncompliance With Lease Provisions.**

(a) Upon the occurrence of any Event of Default referred to in Section 7.1 hereof, the County shall return to the Commission each Item of Equipment for which the County is in default, or the Commission may, at its option and in its discretion, determine which Item of Equipment shall be returned to the Commission for sale in accordance with the provisions hereof and the County shall continue to be liable for (1) the payment of applicable Basic Rent with respect to each such Item of Equipment and Additional Rent scheduled to become due on any succeeding Lease Payment Date or upon demand, as applicable, (2) the payment of any general, special, incidental, consequential or other damages resulting from such Event of Default and (3) any other losses suffered by the Commission as a result of the County's failure to take such actions as required.

(b) If the County shall be required to return any Item of Equipment in the possession of the County to the Commission prior to the payment of all Basic Rent and Additional Rent pursuant to the provisions hereof, the County shall return the applicable Item of Equipment to the Commission at the location specified by the Commission, at the County's expense, in the condition, repair, appearance and working order that the County is required to maintain such Item of Equipment under this Agreement within ten (10) days of such request in accordance with the instructions of the Commission. Upon the Commission's receipt of the applicable Item of Equipment, the Commission may sell the same in such manner as it deems appropriate, and the County shall have no further rights whatsoever with respect thereto or claims against the Commission with respect to the sale thereof.

(c) Moneys from such sale (net of expenses incurred by the Commission in the sale thereof) shall be paid over to the Trustee and deposited in the Equipment Project Account of the Proceeds Fund and applied by the Trustee in accordance with the written direction of the Commission to be applied as a credit toward the payment of the County's Basic Rent obligations hereunder due on the next succeeding Lease Payment Date pursuant to Section 507 of the Resolution.

(d) Amounts remaining in the Equipment Project Account of the Proceeds Fund from the sale of Equipment after the application of moneys therein pursuant to paragraph (c) above

and Section 507 of the Resolution shall be applied, at the direction of the Commission, as a credit toward any other Additional Rent payments of the County due and owing prior to the termination of the Lease Term and final Equipment Project Allocable Portion of the Debt Service payment of the Series 2017-1 Bonds related thereto.

(e) In the event there are any moneys remaining in the Equipment Project Account of the Proceeds Fund from the sale of such Equipment after application of such moneys by the Trustee in accordance with paragraphs (b), (c) and (d) above and upon the termination of the Lease Term and final maturity of the Outstanding Equipment Project Allocable Portion of the Series 2017-1 Bonds, such moneys shall be paid to the County, upon receipt by the Trustee of a written directive of the Commission with respect thereto.

**ARTICLE V**

**COVENANTS OF COUNTY**

**SECTION 5.1. Maintenance of Equipment.** The County covenants and agrees that at all times during the Lease Term for each Item of Equipment, the County will, at the County's own cost and expense, maintain, preserve and keep each Item of Equipment in good repair, working order and condition in accordance with the Equipment manufacturer's recommended maintenance procedures, and that the County will make all necessary and proper repairs, replacements and renewals thereto. The Commission shall have no responsibility in any of these matters, or for the making of improvements or additions to each Item of Equipment.

**SECTION 5.2. Taxes, Other Governmental Charges and Utility Charges.** In the event the ownership, leasing, use, possession or acquisition of any Item of Equipment is found to be subject to taxation in any form, the County will pay during the related Lease Term, as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to any Item of Equipment and any equipment or other property acquired by the County permitted under this Agreement in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, any Item of Equipment, as well as all utility and other charges incurred in the operation, maintenance, use, preservation, occupancy and upkeep of any Item of Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as have accrued during the time the related Lease Term is in effect.

**SECTION 5.3. Provisions Regarding Insurance.** At its own expense, the County shall carry and maintain casualty, public liability and property damage insurance, or the County shall demonstrate to the satisfaction of the Commission, that adequate self-insurance is provided with respect to each Item of Equipment, sufficient in each case to replace such Item of Equipment and to protect the Commission from liability under all circumstances. The County agrees to maintain and the Commission agrees to accept evidence of blanket insurance coverage which applies to all lease purchase agreements. All insurance policies shall provide that the Commission and the Trustee shall be provided with prior written notice of renewal or cancellation of such policy thirty (30) days prior thereto. If the County maintains a program of self-insurance for similar properties, the County may insure each Item of Equipment in its self-insurance program and



shall provide an adequate insurance fund to pay losses. Notwithstanding the foregoing, if the County elects to self insure Equipment acquired during the Lease Term, in the event the Equipment is damaged or destroyed, the County shall immediately pay over to the Commission all moneys for such damage or loss for deposit with the Trustee to be applied in accordance with Section 5.4 hereof.

Any insurance policy maintained pursuant to this Section 5.3 shall be so written or endorsed as to make losses, if any, payable to the County, the Commission and the Trustee, as their respective interests may appear. The Proceeds of the insurance required in this Section 5.3 shall be applied as provided in Sections 5.4 and 5.5 hereof.

**SECTION 5.4. Damage, Destruction or Condemnation.** If any Item of Equipment is destroyed or is damaged by fire or other casualty, or title to, or the temporary use of, such Item of Equipment shall be taken under the exercise of the power of eminent domain, the County shall, as long as the County is not in default under the provisions of this Agreement, within ninety (90) days after such damage, destruction or condemnation, elect one of the following two options by providing written notice of such election to the Commission and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** The County, the Commission and the Trustee will cause the Proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration or replacement (in which case such replacement of any Item of Equipment shall become subject to the provisions of this Agreement as fully as if it were the originally leased Item of Equipment) of such Item of Equipment. Any Proceeds received by the Commission shall be deposited in the Equipment Project Account of the Project Fund and be applied by the Trustee to complete the payment of the cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for the payment of the Cost of the Equipment from the Equipment Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of such Item of Equipment shall be transferred by the Trustee to the Equipment Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward the Basic Rent obligations of the County on any Lease Payment Date in accordance with Sections 503 of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on all Items of Equipment.

(b) **Option B - Deposit to Equipment Project Account of the Proceeds Fund.** The County, the Trustee and the Commission will cause the Proceeds of any insurance claim or condemnation award to be deposited in the Equipment Project Account of the Proceeds Fund and the Trustee shall apply such Proceeds as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on all Items of Equipment.

(c) All interest earned or any gain realized on any moneys or investments in the Equipment Project Account of the Proceeds Fund shall be applied in accordance with the provisions of Section 507(6) of the Resolution.

In the event the County is in default under the provisions of this Agreement, the Commission, upon written direction of an Authorized Commission Representative to the Trustee,

shall elect Option A or Option B in accordance with the provisions of this Section 5.4. The Commission shall provide written notice of such election to the County.

**SECTION 5.5. Insufficiency of Proceeds.** If the County elects to repair, restore or replace any Item of Equipment under the terms of Section 5.4(a) hereof and the Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the County shall complete the work and pay any Cost in excess of the amount of the Proceeds and the County agrees that, if by reason of any such insufficiency of the Proceeds, the County shall make any payments pursuant to the provisions of this Section 5.5, the County shall not be entitled to any reimbursement therefor from the Commission nor shall the County be entitled to any diminution or offset of the amounts payable under this Agreement.

**SECTION 5.6. Advances.** In the event the County shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep any Item of Equipment in good repair and operating condition, the Commission may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same, or make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Commission shall become immediately due and payable as Additional Rent, which amounts, together with interest at the highest rate permitted by State law until paid, the County agrees to pay to the Commission.

**SECTION 5.7. Performance Bonds and Other Guaranty.** In the event an advance, partial or progress payment is to be made with respect to any Item of Equipment pursuant to Section 2.5(g) hereof, the County shall cause the contractor or subcontractor qualified to do business in the State for such Item of Equipment to provide a performance bond or bonds, a letter of credit or any other form of financial guaranty covering with respect to such Item of Equipment (i) performance of the contract, and (ii) payment for labor and materials.

Any performance bond or bonds, letter of credit or other form of financial guaranty shall be executed by a responsible surety company qualified to do business in the State and shall in each case be in an amount not less than one hundred percent (100%) of the contract price. Any performance bond, letter of credit or other form of financial guaranty provided pursuant to this Section 5.7 shall be made payable to the County and the Commission, as their respective interests may appear. The Proceeds from any performance bond provided pursuant to this Section 5.7 shall be paid over to the Trustee for deposit into the Equipment Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County hereunder in accordance with the provisions of Sections 507(1) and (2) of the Resolution.

**SECTION 5.8. Net Lease.** This Agreement shall be deemed to be and is construed to be a "net lease", and the County shall pay absolutely net during the Lease Term the Rentals and all other payments which are required to be made under the terms of this Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

**SECTION 5.9. Compliance With Laws.** The parties to this Agreement agree to comply with all laws of the State applicable to the performance of this Agreement.

**SECTION 5.10. Covenant of County as to Compliance With Federal Tax Matters.** Upon the advice of Bond Counsel to the Commission, the County covenants that it will take all actions which are within its control that are necessary to assure that interest on the Series 2017-1 Bonds is excludable from gross income for Federal income tax purposes and the County further covenants that it will refrain from taking any action that would cause the interest on the Series 2017-1 Bonds to be includable in gross income under the provisions of the Code. The County specifically covenants as to the following:

(a) Not more than ten (10%) percent of the Equipment Project Allocable Portion of the proceeds of the Series 2017-1 Bonds used to finance the Equipment Project (i) will be used for any private business use, and (ii) will be directly or indirectly (1) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (2) derived from payments in respect of property, or borrowed money, used or to be used for a private business use. If the Equipment Project Allocable Portion of the proceeds of the Series 2017-1 Bonds are to be used for any private business use which is not related or is disproportionate to the governmental use of the proceeds pursuant to Section 141(b)(3) of the Code, not more than five percent (5%) of the Equipment Project Allocable Portion of the proceeds of the Series 2017-1 Bonds used to finance the Equipment Project Allocable Portion are to be used for any private business use and not more than five percent (5%) of the Equipment Project Allocable Portion of the proceeds of the Series 2017-1 Bonds used to finance the Equipment Project are secured by any interest in property used or to be used for a private business use or payments in respect of such property, or to be derived from payments in respect of property or borrowed money, used or to be used for a private business use. The County will not enter into any type of lease or management or service contract with respect to the Equipment unless it obtains an opinion of Bond Counsel that such agreement will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017-1 Bonds.

(b) The Equipment will be used by the County for the provision of essential governmental services. The County covenants to so continue public ownership, operation and such public usage while the Equipment Project Allocable Portion of the Series 2017-1 Bonds are Outstanding, unless Bond Counsel has opined that a proposed change in ownership, operation or usage will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Equipment Project Allocable Portion of the Series 2017-1 Bonds.

(c) No part of the Equipment Project Allocable Portion of the proceeds of the Series 2017-1 Bonds used to finance the Equipment Project will be used to replace other funds of the County that were to be used for the Equipment Project and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Series 2017-1 Bonds.

(d) The County hereby covenants to comply with the arbitrage requirements of Section 148 of the Code and the rebate requirements imposed by Section 148(f) of the Code. To the extent any rebate must be paid with respect to the Equipment Project Allocable Portion of the Series 2017-1 Bonds, the County will promptly pay such amounts upon request of the Commission.

(e) Except as indicated herein, the County does not anticipate that it will pledge any other investments or establish or create any other fund which will be security for the Equipment Project Allocable Portion of the Series 2017-1 Bonds.

(f) The County has not been notified of any publication by the Internal Revenue Service listing it as an issuer whose certification as to expectations may not be relied upon with respect to its obligations.

(g) The County shall immediately notify the Commission of any failure to comply with the foregoing covenants of which it has actual knowledge.

**SECTION 5.11. Representations and Warranties of County.** The County represents and warrants as follows:

(a) It is a public body corporate and politic duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its governing body, it has duly authorized the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement and compliance with the provisions hereof will not conflict with or constitute on the part of the County a violation of, breach of or default under any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the County is bound or, to the knowledge of the County, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the County or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the consummation of the transactions contemplated hereby have been obtained.

(c) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2017-1 Bonds, there is no action, suit, proceeding or investigation at law or in equity pending against the County by or before any court or public agency or, to the knowledge of the County, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby, or which in any way would adversely affect the validity of this Agreement, or any agreement or instrument to which the County is a party (including the Commission Operations Agreement) and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) To its knowledge, no legislation has been enacted which in any way adversely affects the execution and delivery of this Agreement by the County, or the creation, organization or existence of the County or the titles to office of any officials thereof, or the power of the County to carry out its obligations under this Agreement.

(e) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2017-1 Bonds, the County is not a party to any indenture, loan or credit agreement or any other agreement, resolution, contract, instrument, pension plan, pension trust, employee benefit or welfare plan, or subject to any restriction which may reasonably be expected to have an adverse effect on its properties, assets, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Agreement.



(f) The County will, upon execution and delivery of this Agreement, deliver or cause to be delivered to the Commission an opinion of counsel to the County in substantially the form set forth in Exhibit H hereto.

SECTION 5.12. County Budget and Notice of Appropriation for Lease Payments.

(a) The County covenants that in each Fiscal Year of the Lease Term, it will include in its annual budget the Rentals which are due and payable or which will become due and payable during such Fiscal Year under the terms of this Agreement.

(b) By execution hereof, the County expressly acknowledges the Commission's right, but not its obligation, to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel the County to provide an appropriation for Lease Payments due under this Agreement.

(c) The County shall also notify the Trustee and the Commission of any change in the Fiscal Year of the County within ten (10) Business Days of the adoption of the authorization therefor by the governing body of the County.

SECTION 5.13. Third-Party Beneficiary. The County and the Commission by the execution hereof acknowledge that the covenants, representations and warranties set forth herein are for the benefit of the Trustee.

SECTION 5.14. Continuing Disclosure. In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2017C-1 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, and (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

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(c) Failure by the County to observe and perform any covenant, condition or agreement which is required to be observed or performed by it (other than as referred to in paragraphs (a) and (b) of this Section 7.1 hereof and in Section 5.14 hereof), which failure shall continue for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the County by the Commission or the Trustee, unless the notifying party shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by or on behalf of the County within the applicable period and is diligently pursued until the default is remedied;

(d) The filing of a petition by or against the County under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Agreement or thereafter enacted, unless in the case of any such petition filed against the County, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property or assets shall be appointed by court order or take possession of the County or its property or assets if such order remains in effect or if such possession continues for more than thirty (30) days; or

(e) Any sale of all or a portion of the Equipment or any termination of any Lease Term of any Item of Equipment provided the County has not elected to terminate this Agreement pursuant to the provisions of Section 3.7 hereof.

SECTION 7.2. Remedies. Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and shall be continuing, any one or more of the following remedial steps may be taken, provided that, where applicable, prior written notice of the Default has been given to the County by the Commission or by the Trustee and the Default has not been cured:

(a) The Commission may take possession of each Item of Equipment to which a Default applies without terminating this Agreement and sell such Equipment for the account of the County, and shall continue to hold the County liable for the Rental Payments due and owing to the Commission under this Agreement;

(b) The Commission may accelerate the Rental Payments owed by the County for each Item of Equipment, holding the County liable for all Rentals and other amounts due to the Commission under the terms of this Agreement; and

(c) The Commission may take whatever action at law or in equity may appear to be necessary or desirable in order to collect the payments which are then due and payable and thereafter to become due and payable, or to enforce the performance and observance of any obligation, agreement or covenant of the County under the terms of this Agreement.

Any amounts which are collected pursuant to action taken under this Section 7.2 shall be applied in accordance with the provisions of the Resolution. If the Resolution has been discharged and all costs of the Commission, if any, shall have been paid, any remaining amounts

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ARTICLE VI

TITLE

SECTION 6.1. Title To Equipment. During the Lease Term, title to the Equipment and any and all additions, repairs, replacements or modifications thereto shall be in the name of the Commission.

SECTION 6.2. Liens. During the Lease Term of each Item of Equipment, the County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to such Item of Equipment, and the respective rights of the Commission and the County as herein provided. The County shall reimburse the Commission for any expense incurred by the Commission in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 6.3. Personal Property. Each Item of Equipment is and shall at all times be and remain personal property notwithstanding that such Item of Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any improvement thereon.

SECTION 6.4. Use of the Equipment. The County will not install, use, operate or maintain any Item of Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. The County shall provide all permits and licenses, if any, necessary for the installation and operation of each Item of Equipment. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Item of Equipment) with all laws of the jurisdictions in which its operations involving any Item of Equipment may extend and with all regulations, orders and decrees of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over any Item of Equipment; *provided, however*, that the County, at its sole cost and expense, may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not adversely affect the interest or rights of the Commission in and to any Items of Equipment or its interest or rights under this Agreement, provided the County so notifies the Commission.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 Events of Default. An "Event of Default" or a "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the County to pay or cause to be paid when due the payments which are required to be made under the provisions of Section 3.1(a) hereof;

(b) Failure by the County to pay or cause to be paid when due any payments which are required to be made under the provisions of this Agreement (other than payments required to be made under Section 3.1(a) hereof), which failure shall continue for a period of thirty (30) days after written notice thereof, specifying such failure and requesting that it be remedied, is given to the County by the Commission or the Trustee;

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collected pursuant to actions taken under paragraph (c) of this Section 7.2 shall be paid to the County by the Trustee.

SECTION 7.3. Reinstatement. Notwithstanding the provisions of Sections 4.1, 4.2 and 7.2 hereof if, after the acceleration of the Rental Payments upon occurrence of an Event of Default, all arrears of interest on such overdue Rental Payments and the Rental Payments which have become due and payable otherwise than by acceleration, and all other sums payable under this Agreement, except Rental Payments due and payable as a result of acceleration, shall have been paid by or for the account of the County or provision satisfactory to the Trustee shall have been made, all other things shall have been performed in respect of which there was a Default or provision deemed by the Trustee to be adequate shall be made therefor and there shall have been paid the reasonable fees and expenses, including Additional Rent and the Equipment Project Allocable Portion of the Commission Administrative Expenses (including reasonable attorneys' fees paid or incurred), if any, and such acceleration under this Agreement is rescinded, the Trustee shall waive the County's Default without further action by the Commission and the Commission and the Trustee shall be restored to their former positions and rights under the Resolution. Upon such payment and waiver, this Agreement shall be fully reinstated as if it had never been accelerated. No such restoration of the Commission and the Trustee shall extend to or affect any subsequent Default under the Resolution or impair any right consequent or incidental thereto.

SECTION 7.4. Payment Deficiencies. If an Event of Default referred to in Section 7.1(a) hereof shall have happened and be continuing and there remains outstanding Basic Rent payments which have not been paid to the Trustee pursuant to the terms of this Agreement (which determination shall be made by the Trustee as at the close of business on any Lease Payment Date), the Trustee, on behalf of the Commission, shall notify the County and the Commission, in writing not later than 3:00 p.m. on such Lease Payment Date, of the failure of the County to pay its Basic Rent on the Lease Payment Date, which notice shall state the amount of any such deficiency, the date by which the deficiency must be cured by the County (which date shall not be later than the Bond Payment Date). Notwithstanding the above, the Commission and the Trustee shall undertake all diligent efforts to pursue the County and cause it to pay all amounts due and owing to the Commission under this Agreement prior or subsequent to any Bond Payment Date.

SECTION 7.5. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Commission or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default hereunder shall impair any such right or power or shall be construed to be a waiver hereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Commission or the Trustee to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 7.6. No Additional Waiver Implied By One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived

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by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

#### ARTICLE VIII

##### SALE, ASSIGNMENT, SUBLEASING AND SUBSTITUTION CONVEYANCE OF EQUIPMENT TO COUNTY

###### SECTION 8.1. Sale, Assignment, Subleasing or Substitution by County.

(a) Neither this Agreement nor the interests of the County in any Item of Equipment may be sold, assigned or subleased by the County.

(b) As contemplated by this Agreement, a portion of the Costs of the Equipment set forth in Exhibit B will be initially financed with Series 2017C-1 Note proceeds; provided, however, that, prior to the County's delivery of a Completion Certificate for any Item of Equipment, the County may, for any reason, elect to substitute one or more other Items of Equipment for the Items of Equipment that were previously contemplated; provided, however, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized County Representative expressing the County's intent to substitute Items of Equipment pursuant to this Agreement and to the effect that (A) the aggregate value of all Items of Equipment financed with proceeds of the applicable Series of Series 2017-1 Bonds for which an acceptance certificate has been delivered plus the value of the new Items of Equipment to be acquired and installed with proceeds of the applicable Series of Series 2017-1 Bonds is equal to at least 100% of the amount of Bond proceeds of the applicable Series of Series 2017-1 Bonds initially deposited in the Equipment Project Account of the Project Fund established for the Equipment pursuant to the Resolution, (B) the estimated weighted average useful life of all the Items of Equipment to be acquired hereunder with proceeds of the applicable Series of Series 2017-1 Bonds after the substitution is equal to or greater than the weighted average useful life of all the Items of Equipment at the time of issuance of the applicable Series of the Series 2017-1 Bonds, (ii) a new Exhibit B to this Agreement setting out the new Items of Equipment to be acquired, (iii) a Counsel's Opinion (as defined in the Resolution) to the effect that each of such substitutions and this Agreement, as supplemented thereby, is in compliance with all applicable laws, and that the financing of such new Items of Equipment falls within the corporate powers of the Commission, and (iv) an opinion of nationally recognized Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Series 2017-1 Bonds from the gross income of the owners thereof for Federal income taxation purposes. In addition, the County shall cause a Substitution Certificate substantially in the form set forth in Exhibit G hereto to be executed by an Authorized County Representative, and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), and which shall be delivered and filed with the Commission and the Trustee, which certificate shall reflect the substitution of the Items of Equipment previously set forth in Exhibit B hereto. The County may not elect to substitute or exchange Equipment for an Item of Equipment pursuant to this Agreement for which the County has furnished to the Trustee an acceptance certificate. To the extent excess Series B Bond proceeds remain in the Equipment Project Account of the Project Fund established for the Equipment pursuant to the Resolution after all of the Items of Equipment set forth in Exhibit B hereto to be financed with proceeds of the

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applicable Series of Series 2017-1 Bonds have been acquired or completed, the County may apply such excess proceeds to the acquisition, construction and installation of additional Items of Equipment, but such application may only occur if the Trustee shall have received (i) a Certificate of an Authorized County Representative expressing the County's intent to add Items of Equipment pursuant to this Agreement, (ii) a Counsel's Opinion that is satisfactory to the Commission to the effect that each such addition and this Agreement, as supplemented thereby, is in compliance with all applicable laws and that the financing of such new Items of Equipment falls within the corporate powers of the Commission, and (iii) an opinion of nationally recognized Bond Counsel to the effect that such addition will not adversely affect the exclusion of interest on any Series of Series 2017-1 Bonds from the gross income of the owners thereof for Federal income taxation purposes

(c) Notwithstanding the above, if the County is not able to deliver an Item of Equipment or make arrangements for its substitution or addition as provided herein, the portion of the proceeds of the Equipment Project Allocable Portion of the Series 2017-1 Bonds allocated to such Item of Equipment shall be transferred into the Equipment Project Account of the Debt Service Fund and used to make Debt Service payments on the Equipment Project Allocable Portion of the Series 2017-1 Bonds on each Lease Payment Date in accordance with Sections 503 of the Resolution. The County shall continue to be liable hereunder for all Basic Rent payments necessary to amortize Debt Service on the Equipment Project Allocable Portion of the Series 2017-1 Bonds (net of the amount of the Equipment Project Allocable Portion of the Series B Bond proceeds allocated to the County so applied) and Additional Rent.

SECTION 8.2. Option to Purchase Equipment. If the County shall have paid all amounts due and owing under this Agreement including Additional Rent and shall have cured any and all Defaults under this Agreement, the County shall have and may exercise, at the time of the expiration of the Lease Term applicable to any Item of Equipment, the option to purchase such Item of Equipment under the provisions of this Section 8.2 upon payment to the Commission, net of any expenses of sale, of the purchase price therefor. The purchase price payable for each Item of Equipment shall be the sum of One Dollar (\$1.00). The option shall have been deemed to have been exercised by the County if the County shall include in its final Lease Payment the additional sum of \$1.00 for each Item of Equipment. If the County does not want to purchase the Item of Equipment it shall not include the \$1.00 option payment in its final Lease Payment. In such event and upon the surrender of possession of such Item of Equipment to the Commission, the Commission may, or may direct the County to sell or dispose of each such Item of Equipment not so purchased. The proceeds received by the Commission or paid over to the Commission from the County from such sale shall be paid over to the Trustee and shall be deposited in the Equipment Project Account of the Proceeds Fund and shall be applied by the Trustee in accordance with Section 507 of the Resolution.

SECTION 8.3. Date of Settlement. Within thirty (30) days after the payment of the purchase price by the County, the Commission shall, upon receipt of written direction from the County, contemporaneously convey to the County all of the Commission's right, title and interest in and to such Item of Equipment by such legal instruments required therefor. The County shall bear all costs and expenses in connection with the preparation of the documents of conveyance and the delivery thereof and all fees, assessments, taxes and charges payable in connection with the conveyance of title to such Item of Equipment.

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#### ARTICLE IX MISCELLANEOUS

SECTION 9.1. Surrender of Possession. Except as otherwise expressly provided in this Agreement upon the termination of the Lease Term as a result of the occurrence of an Event of Default under the terms of Article VII hereof, the County hereby agrees to surrender possession of each Item of Equipment peacefully and promptly to the Commission in as good condition as at the commencement of the Lease Term, except for loss by fire or other casualty covered by insurance, condemnation and ordinary wear, tear and obsolescence only excepted. Notwithstanding the above, at the election of the Commission, the Commission shall either sell or dispose of such Item of Equipment or require the County to sell or dispose of such Item of Equipment. In any event, the County shall pay the cost of selling or disposing of the same.

SECTION 9.2. Successors and Assigns. This Agreement shall inure to the benefit of the County, the Commission, the Trustee and their respective successors and assigns and shall be binding upon the County and the Commission and their respective successors and assigns.

SECTION 9.3. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

###### SECTION 9.4. Amendments.

(a) This Agreement may be amended upon the written consent of the County and the Commission; *provided, however*, that, except as provided below, no such amendment shall be effective without a Counsel's Opinion (as defined in the Resolution) if, in the judgment of the Trustee, such amendment adversely affects the rights of the Holders of the Series 2017-1 Bonds which are Outstanding at the time of such amendment.

(b) Notwithstanding anything herein to the contrary, this Agreement may be amended under all circumstances to provide for a change in the description of the Equipment in accordance with the provisions of Article VIII hereof.

SECTION 9.5. Amounts Remaining Under Resolution. It is agreed by the parties hereto that upon the expiration or sooner termination of the Lease Term, as provided in this Agreement, after payment in full of the Equipment Project Allocable Portion of the Outstanding Series 2017-1 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Resolution) and all Rental Payments due hereunder and the fees, charges and expenses of the Fiduciaries and the Commission in accordance with the provisions of the Resolution and this Agreement, any amounts which are remaining in any Equipment Project Account of any Fund created under the terms of the Resolution shall belong to, and be paid by the Commission (after receipt from the Trustee) to, the County.

SECTION 9.6. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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SECTION 9.7. Notices. All notices, demands or other communications provided for in this Agreement shall be in writing and shall be delivered personally, by facsimile transmission (with written confirmation of receipt) in accordance herewith and sent by certified or registered mail, personal delivery or recognized overnight delivery to: (i) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065, Attn: Executive Director, (ii) the Trustee at TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034, Attn: Corporate Trust Services, and (iii) the County at 49 Ranocas Road, Mount Holly, New Jersey 08060, Attn: County Treasurer, or to such other representatives or addresses as the Commission, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

SECTION 9.8. Headings. The Article and Section headings in this Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 9.9. Non-Waiver. It is understood and agreed that nothing contained in this Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Agreement.

SECTION 9.10. Survival of Agreement. Notwithstanding anything herein to the contrary, the provisions of Sections 3.2 (to the extent permitted by State law), 5.3 and 5.10 hereof shall survive the expiration of the Lease Term and the final maturity of the Equipment Project Allocable Portion of the Series 2017-1 Bonds.

SECTION 9.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

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IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY BRIDGE COMMISSION  
 By: [Signature] Secretary  
 By: [Signature] Authorized Commission Representative

(SEAL)

Attest: COUNTY OF BURLINGTON, NEW JERSEY  
 By: \_\_\_\_\_ Clerk of the Board of Chosen Freeholders  
 By: \_\_\_\_\_ Authorized County Representative

Signature Page to Equipment Lease

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY BRIDGE COMMISSION  
 By: \_\_\_\_\_ Secretary  
 By: \_\_\_\_\_ Authorized Commission Representative

(SEAL)

Attest: COUNTY OF BURLINGTON, NEW JERSEY  
 By: [Signature] Clerk of the Board of Chosen Freeholders  
 By: [Signature] Authorized County Representative

Signature Page to Equipment Lease

Lease Payment Date	Basic Rent Principal Amount	Compens Interest Amount	Basic Rent Total Amount	2017 C-1 Debt Service Paid on 12/31/2017	Net Basic Rent Interest Amount	Basic Rent Total Amount
12/12/2018	2,758,000.00	2.500%	68,758.47	(675,489)	62,000.58	2,880,000.58

EXHIBIT "N"  
 BURLINGTON COUNTY BRIDGE COMMISSION  
 \$2,000,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2017C-1  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

BURLINGTON COUNTY BRIDGE COMMISSION (GOVERNMENTAL LEASING PROGRAM), SERIES 2017C-1 Exhibit B - Equipment Lease (2015 Lease Ordinance)		County of Burlington	
Equipment	2017C-1 Acquisition Cost	2017C-1 Acquisition Cost	
2017C1 Leased Notes - Project Fund			
Capital Equipment	\$ 2,389,220.00		
Radio Systems/Tower Lighting/Misc.	319,465.00		
Light Duty Trucks and Sport Utility Vehicles	50,000.00		
	Sub-Total: \$ 2,758,685.00		
	<u>Total Equipment Project Fund: \$ 2,758,685.00</u>		

EXHIBIT C

ACCEPTANCE CERTIFICATE  
Requisition Ref. No. 2017-1- \_\_\_\_\_

COUNTY OF BURLINGTON, NEW JERSEY

I, the undersigned Authorized County Representative, DO HEREBY CERTIFY pursuant to and in accordance with the terms of the Equipment Lease and Agreement between the Burlington County Bridge Commission (the "Commission") and the County of Burlington, New Jersey (the "County"), dated \_\_\_\_\_, 2017 (the "Agreement"), as follows (capitalized terms shall have the meaning set forth in the Agreement):

By: \_\_\_\_\_  
Authorized County Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

1. The County, on behalf of the Commission, has acquired the Item of Equipment described in Exhibit B or Exhibit G, as applicable, to the Agreement, the general description of which is:

Dated: \_\_\_\_\_

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Acceptance Certificate.

BURLINGTON COUNTY BRIDGE  
COMMISSION

By: \_\_\_\_\_  
Authorized Commission Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

2. Attached hereto is all necessary legal documentation evidencing title to the Item of Equipment in the name of the Commission in accordance with the provisions of Section 2.3(e) of the Agreement.

Dated: \_\_\_\_\_

3. Such Item of Equipment meets the County's specifications therefor, has been procured and delivered in compliance with the Local Public Contracts Law and all applicable laws of the State to the County's satisfaction (or is in compliance with the manufacturer's contract), and is in good repair and working order. This Certificate constitutes the Acceptance Certificate for such Item of Equipment.

4. The amount of purchase price for the Item of Equipment is \$ \_\_\_\_\_. Attached hereto is a Requisition for payment of such Item of Equipment in accordance with the provisions of Section 2.3(c) of the Agreement (Exhibit E to be completed and attached). Such amount is authorized by the Agreement to be withdrawn from the Equipment Project Account of the Project Fund and such amount is the correct amount as specified in the manufacturer's contract.

5. As required by Section 5.3 of the Agreement, attached hereto is either (A) evidence of insurance for the Item of Equipment or (B) the County's blanket insurance policy which applies to the Item of Equipment. The insurance policy is written or endorsed to make losses, if any, payable to the County, the Commission and the Trustee as their respective interests may appear.

6. The undersigned is an Authorized County Representative.

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EXHIBIT D

REQUISITION FOR ADVANCE/PARTIAL/PROGRESS PAYMENTS  
Requisition Ref. No. 2017-1- \_\_\_\_\_

Partial Payment No. \_\_\_\_\_

I, the undersigned Authorized County Representative, DO HEREBY CERTIFY pursuant to and in accordance with the terms of the Equipment Lease and Agreement between the Burlington County Bridge Commission (the "Commission") and the County of Burlington, New Jersey (the "County"), dated \_\_\_\_\_, 2017 (the "Agreement"), as follows (capitalized terms shall have the meaning set forth in the Agreement):

1. The County, on behalf of the Commission, has executed a contract with a vendor to acquire the Item of Equipment described in Exhibit B or Exhibit G, as applicable, to the Agreement, the description of which and to which this partial Requisition relates is as follows: (include the description and invoice or billing reference):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Attached hereto is all necessary documentation to evidence the necessity of making progress payments for such Item of Equipment pursuant to Section 2.5(g) of the Agreement.

3. Attached hereto is a copy of the contractor's performance bond, letter of credit or other form of financial guaranty with respect to such Item of Equipment in an amount equal to 100% of the contract price as required by Section 5.7 of the Agreement.

4. Such Item of Equipment meets the County's specifications therefor, has been procured in compliance with the Local Public Contracts Law and all applicable laws of the State.

5. In the event the requisition being submitted by the County is to request and authorize final payment for the Item of Equipment described in Paragraph 1 hereof, please attach a completed Acceptance Certificate (Exhibit C) evidencing acceptance of the same by the County.

6. The purchase price for the Item of Equipment is \$ \_\_\_\_\_. Such amount is authorized by the Agreement to be withdrawn from the Equipment Project Account of the Project Fund and such amount is the correct amount as specified in the manufacturer's contract.

7. The name and address of the Person, firm or corporation to whom payment is due is:

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8. \$ \_\_\_\_\_ is the amount necessary to partially pay the Cost of such Item of Equipment and is the amount to be paid to such Person, corporation or firm. The amount which has been partially prepaid to date for the Item of Equipment is \$ \_\_\_\_\_ and the amount remaining to be paid is \$ \_\_\_\_\_.

9. \$ \_\_\_\_\_ is the amount stated as being required to pay the Cost of such Item of Equipment as originally specified in Exhibit B or Exhibit F, as applicable, to the Agreement.

10. Based upon the attached approval of the County, \$ \_\_\_\_\_ is the amount of money the County has agreed to pay and has forwarded said amount by check to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to fund the balance of the Cost of the Equipment (Attach copy of check for Trustee and copy of the check for the Commission).

11. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON, NEW  
JERSEY

By: \_\_\_\_\_  
Authorized County Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_  
Authorized Commission Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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EXHIBIT E

REQUISITION FOR PAYMENTS FROM EQUIPMENT PROJECT ACCOUNT OF PROJECT FUND  
(Requisition Ref. No. 2017-1-\_\_\_\_\_)

(To be Used in Conjunction with Exhibit C)

I, the undersigned Authorized County Representative DO HEREBY CERTIFY pursuant to and in accordance with the terms of a resolution of the Burlington County Bridge Commission (the "Commission") "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2017-1 Governmental Leasing Program), Series 2017", duly adopted September 18, 2017 (the "Resolution") as follows (capitalized terms shall have the meaning set forth in the Equipment Lease and Agreement between the Commission and the County of Burlington, New Jersey (the "County"), dated \_\_\_\_\_, 2017 (the "Agreement")):

- 1. This requisition is Requisition Ref. No. 2017-1 - \_\_\_\_\_.
2. The name and address of the Person, firm or corporation to whom payment is due is:

\_\_\_\_\_  
\_\_\_\_\_

- 3. The amount to be paid to such Person, firm or corporation named in Paragraph 2 above is \$ \_\_\_\_\_.

- 4. The Item(s) of Equipment to which this Requisition relates is

\_\_\_\_\_  
\_\_\_\_\_

Include description and invoice or billing reference.

- 5. \$ \_\_\_\_\_ is the amount necessary to pay the Cost of such Item of Equipment.

- 6. \$ \_\_\_\_\_ is the amount stated as being required to pay the Cost of such Item of Equipment as originally specified in Exhibit B or Exhibit G, as applicable, to the Agreement.

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- 7. Based upon the attached approval of the County, \$ \_\_\_\_\_ is the amount of money the County has agreed to pay and has forwarded said amount by check to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to fund the balance of the Cost of the Equipment (Attach copy of check for Trustee and copy of the check for the Commission).

- 8. The useful life of the Item(s) of Equipment as set forth on Exhibit B of the Agreement is:

Table with 2 columns: Equipment, Useful Life. Rows for blank entries.

- 9. Each obligation, item of cost or expense mentioned herein has been properly incurred, is an item of Cost and is a proper charge against the Equipment Project Account of the Project Fund and has not been the basis of any previous withdrawal.

- 10. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Authorized County Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY BRIDGE COMMISSION

By: \_\_\_\_\_  
Authorized Commission Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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EXHIBIT F

CERTIFICATE AS TO AUTHORIZED COUNTY REPRESENTATIVE

I, \_\_\_\_\_, the duly elected and acting Director of the Board of Chosen Freeholders of the COUNTY OF BURLINGTON, NEW JERSEY (the "County"), a municipal corporation of the State of New Jersey, DO HEREBY CERTIFY that I am duly authorized under the Agreement (as hereinafter defined) to execute and deliver this Certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY as follows:

- 1. Edward J. Troy is the Treasurer of the County.
2. Marc Krassan is the Chief Financial Officer of the County.
3. Paul Drayton, Jr. is the Administrator/Board Clerk of the County.

- 4. The following individual(s) have each been designated as Authorized County Representatives in accordance with the provisions of the Agreement and each are duly qualified, empowered and authorized so to act on behalf of the County and to deliver documents on behalf of the County.

Table with 2 columns: Name, Signature. Rows for Edward J. Troy, Marc Krassan, Eve Cullinan.

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in an Equipment Lease and Agreement dated November \_\_, 2017 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 2017.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Freeholder Director

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EXHIBIT G

CERTIFICATE FOR SUBSTITUTION OF EQUIPMENT

The undersigned Authorized County Representative of the COUNTY OF BURLINGTON, NEW JERSEY hereby requests the substitution of certain Items of Equipment contained in the Equipment Lease and Agreement executed by and between the County of Burlington, New Jersey (the "County") and the Burlington County Bridge Commission (the "Commission") and dated December 13, 2017 (the "Agreement") and that upon the filing of this Certificate with the County, the Commission and the Trustee, Exhibit B to the Agreement shall be modified to reflect the changes in Items of Equipment being purchased by the County as set forth below:

1. The Equipment originally listed in Exhibit B to the Agreement is: (identify each piece of equipment and its cost as described in Exhibit B);

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. The Equipment which is to be substituted and which is to be reflected in Exhibit B to the Agreement is: (identify each item of equipment and the cost of the equipment to be substituted) (make sure that each piece of equipment being substituted corresponds to the equipment originally listed on Exhibit B on a piece by piece basis).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the County this day of \_\_\_\_\_, 20\_\_.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Authorized County Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Certificate for Substitution of Equipment.

BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_  
Authorized Commission Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approval Dated: \_\_\_\_\_

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EXHIBIT H

FORM OF OPINION OF GENERAL COUNSEL OR BOND COUNSEL TO THE COUNTY

Burlington County Bridge Commission  
Palmyra, New Jersey

County of Burlington, New Jersey  
Mount Holly, New Jersey

Capehart & Scatchard, P.A.  
Mount Laurel, New Jersey

[Underwriter]  
[Address]

Re: The Burlington County Bridge Commission  
\$12,000,000 Lease Revenue Bonds (2017-1 Governmental Leasing Project),  
Series 2017C-1

Ladies and Gentlemen:

We have acted as counsel to the County of Burlington, New Jersey (the "County"), a body duly formed and organized under the laws of the State of New Jersey (the "State"), in connection with, among other things, the authorization, execution and delivery by the County of the Equipment Lease and Agreement, dated December 13, 2017 (the "Lease"), between the Burlington County Bridge Commission (the "Commission") and the County and the adoption on 00668-2015 of an ordinance authorizing the execution and delivery of the Lease (the "Ordinance"). All capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Lease.

As counsel to the County and based upon our review of the aforementioned documents and such other certificates, documents, proceedings and questions of law as we have considered necessary to enable us to render this opinion, we are of the following opinion:

- (a) the County is a body politic and corporate of the State duly organized and existing under the laws of the State;
- (b) the County has full legal right and power and is authorized to enter into and to perform its obligations under the Lease and to finally adopt the Ordinance;
- (c) the County has duly authorized all necessary action to be taken by it for the execution, delivery and performance of the Lease and the final adoption of the Ordinance;

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(d) the execution, delivery and performance by the County of the terms of the Lease and the adoption and performance of the Ordinance does not and will not contravene any provision of existing law or regulation and will not conflict with, or result in the breach of the terms, conditions or provisions of any agreement of the County, or constitute a default under or result in or permit the creation or imposition of any lien, charge or encumbrance upon any of the properties of the County pursuant to any indenture, mortgage or other agreement or instrument to which the County is a party or by which its assets are bound other than the liens created by the Lease;

(e) the Lease has been duly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by the Commission, is a legal, valid and binding obligation of the County enforceable against the County in accordance with its terms;

(f) all consents, approvals or authorizations of any governmental authority required on the part of the County in connection with the execution, delivery and performance of the terms of the Lease and the adoption of the Ordinance have been duly obtained, and the County has complied with all applicable provisions of law requiring any designation, declaration, filing, registration and/or qualification with any governmental authority in connection with such execution, delivery and performance;

(g) the County is in compliance with all provisions of all constitutions, statutes, rules regulation and orders of all governmental and nongovernmental bodies, all governmental approvals and all orders, judgments and decrees of all courts and arbitrators with respect to the performance of its obligations under the Lease and the Ordinance;

(h) To our knowledge, there is no controversy or litigation of any nature now pending or threatened against the County restraining or enjoining the authorization, execution or delivery by the County of the Lease, or in any way contesting or affecting the validity of the Lease, or any proceedings of the County taken with respect to the authorization, execution or delivery thereof, or the existence or powers of the County related to the authorization, execution and delivery of the Lease. To our knowledge, there is no litigation pending or threatened, in any court wherein an adverse decision would have a material adverse impact on the financial position of the County or its ability to pay, or to provide for payment under, the Lease; and

(i) all action taken by the County in connection with the authorization, execution and delivery of the Lease and in connection with the authorization and adoption of the Ordinance have been in compliance in all respects with the provisions of the State Constitution and applicable laws, including, *inter alia*, Chapter 231 of the laws of the State of 1975, as amended, the New Jersey Open Public Meetings Law.

The opinions expressed above are qualified to the extent that we express no opinion as to the effect of, or restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws, judicial decisions and principles of equity affecting creditors' rights generally and judicial discretion, and the valid exercise of the

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sovereign police powers of the State of New Jersey and of the United States of America, and we express no opinion as to the availability of any particular remedy.

This opinion is furnished to you by us solely for your benefit and may not be used or quoted, in whole or in part, to others nor relied upon by others, without our express prior written consent.

Very truly yours,

**APPENDIX F**  
**COPIES OF THE 2017-C2 LEASES, AS AMENDED BY THE FIFTH**  
**AMENDMENTS TO THE 2017C-2 LEASES**



FIFTH AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT

BETWEEN

BURLINGTON COUNTY BRIDGE COMMISSION

AND

THE COUNTY OF BURLINGTON, NEW JERSEY

DATED NOVEMBER \_\_, 2021

THIS FIFTH AMENDMENT TO THE IMPROVEMENT LEASE AND AGREEMENT (the "Fifth Amendment"), dated November \_\_, 2021 by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

WITNESSETH:

WHEREAS, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Commission is authorized by the Act to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease same to governmental units, including the County; and

WHEREAS, the Commission and the County executed an Improvement Lease and Agreement dated December 13, 2017 (the "Original Improvement Lease") for the financing, with a portion of the proceeds of the Series 2017C-2 Notes (as hereinafter defined), of the construction of certain capital improvements and facilities and the leasing thereof to the County, all as more fully described in the County's 2017 Capital Budget and in Exhibit A to the Original Improvement Lease (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

WHEREAS, the Commission financed a portion of the costs of the Improvement Project through the issuance of \$8,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2017C-2 (the "Series 2017C-2 Notes"); and

WHEREAS, concurrent with the execution of the Original Improvement Lease, the Commission and the County executed an Equipment Lease and Agreement, dated December 13, 2017 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2017C-2 Notes, of the acquisition and installation of certain items of capital equipment (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

WHEREAS, the Series 2017C-2 Notes matured on December 12, 2018; and

WHEREAS, at the direction of the County, the Commission is issued \$18,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2018-2 (the "Series 2018C-2 Notes") to refinance the maturing principal of the Series 2017C-2 Notes and to finance

additional costs of (i) the Improvement Project, all as more fully described in Exhibit A to the First Amendment and (ii) the Equipment Project, all as more fully described in Exhibit A to the First Amendment to Equipment Lease and Agreement, dated November 29, 2018 (the "First Amendment to Equipment Lease"), between the Commission and the County; and

WHEREAS, in connection with the issuance of the Series 2018C-2 Notes, the Commission and the County amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2018C-2 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2018C-2 Notes allocated to the Equipment Project; and

WHEREAS, the Series 2018C-2 Notes mature on November 28, 2019; and

WHEREAS, at the direction of the County, the Commission issued \$55,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2019C-2 (the "Series 2019C-2 Notes") to refinance the maturing principal of the Series 2018C-2 Notes and to finance additional costs of (i) the Improvement Project, all as more fully described in Exhibit A to this Second Amendment and (ii) the Equipment Project, all as more fully described in Exhibit A to the Second Amendment to Equipment Lease and Agreement, dated November 21, 2019 (the "Second Amendment to Equipment Lease"), between the Commission and the County; and

WHEREAS, in connection with the issuance of the Series 2019C-2 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2019C-2 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2019C-2 Notes allocated to the Equipment Project; and

WHEREAS, the Series 2019C-2 Notes mature on November 20, 2020; and

WHEREAS, at the direction of the County, the Commission issued \$43,340,000 principal amount of Project Notes (Governmental Leasing Program), Series 2020C-2 (the "Series 2020C-2 Notes") for the purpose of: (i) refunding a portion of the Commission's 2019C-2 at maturity, with the remainder of the outstanding 2019C-2 Notes will be refunded by the Commission's \$14,430,000 Lease Revenue Bonds, (2017-2 Governmental Leasing Program), Series 2020C-2; (ii) temporarily financing \$7,000,000 of additional costs associated with the

2017 County Capital Program Improvements and Equipment; and (iii) paying costs and expenses associated with the issuance of the 2020C-2 Notes; and

WHEREAS, in connection with the issuance of the Series 2020C-2 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2019C-2 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2019C-2 Notes allocated to the Equipment Project; and

WHEREAS, the Series 2020C-2 Notes mature on November 11, 2021; and

WHEREAS, at the direction of the County, the Commission is issuing \$ \_\_\_\_\_ principal amount of Project Notes (Governmental Leasing Program), Series 2021 (the "Series 2021C-2 Notes") to refinance the maturing principal of the Series 2020C-2 Notes and to finance paying costs and expenses associated with the issuance of the 2021C-2 Notes; and

WHEREAS, in connection with the issuance of the Series 2021C-2 Notes, the Commission and the County desire to amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2021C-2 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2021C-2 Notes allocated to the Equipment Project; and

WHEREAS, all actions necessary and required under the Act for the due execution, delivery and performance of this Second Amendment have been taken by the Commission and the County.

NOW, THEREFORE, the parties hereto mutually agree as follows:

Section 1. Amendment to Section 1.1. The following definitions set forth in the Original Improvement Lease is hereby deleted in its entirety and replaced by the following:

"Agreement" shall mean, collectively, the Improvement Lease and Agreement, dated December 13, 2017, by and between the Commission and the County, as amended by the First Amendment to the Improvement Lease and Agreement, dated November 29, 2018, as further amended by the Second Amendment to the Improvement Lease and Agreement, dated November 21, 2019, as further amended by the Third Amendment to the Improvement Lease and Agreement, dated November 12, 2020, as further amended by the Fourth Amendment to the

Improvement Lease and Agreement, dated November 12, 2020, as further amended by the Fifth Amendment to the Improvement Lease and Agreement, dated November \_\_, 2021 and any and all further modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Improvement Project Allocable Portion" shall mean the \_\_\_% of the par amount of the Series B Bond (as defined in the Resolution) issued as the Series 2021C-2 Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2021C-2 Notes, a fee of \$ \_\_\_\_\_. The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$ \_\_\_\_\_.

"Lease Payment Date" shall mean with respect to the Series 2017-2 Bonds issued as the Series 2021C-2 Notes, as set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2021C-2 Notes, which date shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Series 2017-2 Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

**Section 2. Additional Definitions.** Section 1.1 of the Original Improvement Lease shall be amended to include the following:

"Fifth Amendment" shall mean this Fifth Amendment to the Improvement Lease and Agreement, dated November \_\_, 2021.

"Series 2021C-2 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2021C-2 authorized and issued on November \_\_, 2021 in the aggregate principal amount of \$ \_\_\_\_\_,00 pursuant to Section 203 of the Resolution and references in the Original Improvement Lease to the "Series 2017C-2 Bonds" shall include the Series 2021C-2 Bonds.

**Section 3. Amendment to Section 4.5(a).** Section 4.5 is amended as follows:

"SECTION 4.5. Application of Series B Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series 2017-2 Bonds as Series 2017C-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, including the Improvement Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Improvement Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$3,672,000.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the initial Costs of the Improvement Project.

(2) Upon original issuance of the Series 2017-2 Bonds as Series 2018C-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, including the Improvement Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Improvement Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$5,659,000.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project."

(3) Upon original issuance of the Series 2017-2 Bonds as Series 2019C-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, including the Improvement Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Improvement Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$28,353,000.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project."

(4) Upon original issuance of the Series 2017-2 Bonds as Series 2020C-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, including the Improvement Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Improvement Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$6,990,456.61.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay the additional Costs of the Improvement Project."

(5) Upon original issuance of the Series 2017-2 Bonds as Series 2021C-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, and (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, including the Improvement Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Improvement Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution."

herein, the Original Improvement Lease shall remain in full force and effect in accordance with its terms.

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**Section 4. References to Official Statement.** References to the term "Official Statement" in Sections 5.2, 6.11 and 7.8 of the Original Improvement Lease shall include the "Official Statement" for the Series 2021C-2 Notes, dated November \_\_, 2021.

**Section 5. Continuing Disclosure.** A new subsection (f) to Section 6.14 of the Original Improvement Lease is hereby added to read as follows:

"(f) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November \_\_, 2021, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2021C-2 Bonds, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material. (iv) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the 2019A Bonds or the 2019B Notes, if material; and (v) default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the County, any of which reflect financial difficulties and where "Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule 15c(2)-12 promulgated and adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Fifth Amendment, provided however that the Exhibit A set forth in the Third Amendment to the Improvement Lease shall remain in full force and effect and all references in the Original Improvement Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Improvement Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Fifth Amendment, provided however that the Exhibit A set forth in the Third Amendment to the Improvement Lease shall remain in full force and effect and all references in the Original Improvement Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Improvement Lease is hereby further amended to the extent provided in this Second Amendment and, except as specifically provided

**IN WITNESS WHEREOF**, the Commission has caused this instrument to be signed by an Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by an Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_ By: \_\_\_\_\_  
Secretary Authorized Commission Representative

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_ By: \_\_\_\_\_  
Clerk of the Board of Chosen Authorized County Representative  
Freeholders

[Signature Page – 5th Amendment to 2017-2 Improvement Lease]

EXHIBIT A  
AMENDED AND RESTATED DESCRIPTION OF  
IMPROVEMENT PROJECT AND REAL PROPERTY

EXHIBIT B  
AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

2017-2 GOVERNMENTAL LEASING PROJECT

IMPROVEMENT LEASE AND AGREEMENT

BETWEEN

BURLINGTON COUNTY BRIDGE COMMISSION

AND

COUNTY OF BURLINGTON, NEW JERSEY

DATED DECEMBER 13, 2017

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THIS IMPROVEMENT LEASE AND AGREEMENT (the "Agreement"), dated December 13, 2017, by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

**WITNESSETH:**

WHEREAS, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Commission is authorized by the Act to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease same to governmental units, including the County; and

WHEREAS, at the request of the County, the Commission has determined to temporarily finance the costs of, *inter alia*, a project (the "Improvement Project") consisting of the design, acquisition, construction, and installation of certain capital infrastructure improvements for the County, all as more fully described in the County's 2017 Capital Budget and in Exhibit A to this Agreement (collectively, the "Improvements"), with a portion of the proceeds of its Lease Revenue Notes (2017-2 Governmental Leasing Program), Series 2017 in the aggregate principal amount of \$ 0,000,000 (the "Series 2017C-2 Notes"); and

WHEREAS, the Improvements will be acquired, constructed and installed on certain real property located in the County (the "Real Property") described as such in Exhibit A attached hereto and the existing buildings thereon and existing improvements thereto which shall, pursuant to the terms of this Agreement, be leased by the County to the Commission and upon which the Improvements will be constructed by the County and leased by the Commission to the County pursuant to the terms hereof for so long as the Improvement Project Allocable Portion of the Series 2017-2 Bonds remain Outstanding (as such term is defined in the hereinafter defined Resolution); and

WHEREAS, the Commission has, by a resolution entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2017 County Leasing Program), Series 2017", duly adopted September 18, 2017, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof (the "Resolution"), authorized the issuance of, *inter alia*, Lease Revenue Bonds or Notes, including the Series 2017C-2 Notes, from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Improvements; and

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WHEREAS, the principal portion of the Series 2017-2 Bonds initially issued as Series 2017C-2 Notes allocable to the Improvement Project is \$3,672,000 (the "Improvement Project Allocable Portion"); and

WHEREAS, all actions necessary and required under the Act for the due execution, delivery and performance of this Agreement have been taken by the Commission and the County; and

WHEREAS, the County has determined to lease the Improvement Project from the Commission pursuant to the terms and conditions set forth herein; and

WHEREAS, the Commission will, pursuant to and in accordance with the terms of the Act, provide for the payment of the costs of, *inter alia*, the Improvement Project through the issuance of the Series 2017-2 Bonds and the Debt Service (as hereinafter defined) on the Series 2017-2 Bonds shall be payable in part from Rentals (as hereinafter defined) representing the Improvement Project Allocable Portion to be received from the County pursuant to the terms and conditions set forth herein; and

WHEREAS, the Commission and the County agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of this Agreement pursuant to the powers conferred by the Act.

NOW, THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.1. Definitions. The terms that are set forth in this Section shall, unless the context clearly requires otherwise, have the meanings which are set forth below. Terms that are used as defined terms herein but which are not defined herein shall have the meanings which are assigned to such terms in the Resolution (as hereinafter defined). Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"2017 Capital Plan" shall mean the capital budget approved by the County which identifies certain items of equipment and Improvements to be undertaken by or on behalf of the County with an aggregate value that does not exceed \$84,913,100, as same may be amended from time to time.

"Act" shall mean the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State (*N.J.S.A. 27:19-26, et seq.*), and the acts amendatory thereof and supplemental thereto.

"Additional Rent" shall mean all amounts payable by the County to the Commission pursuant to Section 5.1(b) hereof including, but not limited to, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, any amounts in excess of Basic Rent necessary to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2017-2

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Bonds, all costs and expenses incurred in connection with any purchase of the Improvements constituting the Improvement Project by the County prior to expiration of the Lease Term including reasonable attorneys' fees and verification fees, and all direct and indirect costs and expenses incurred by the Commission and the Trustee related to the enforcement of this Agreement, including reasonable attorneys' fees related thereto.

"Aggregate Debt Service Obligation" shall have the meaning assigned to such term in Section 5.7(b) hereof.

"Agreement" shall mean this Improvement Lease and Agreement, dated December 13, 2017, by and between the Commission and the County, and any and all modifications, alterations, amendments and supplements hereto which are made in accordance with the provisions hereof and the provisions of the Resolution.

"Authorized Commission Representative" shall mean the Chairman, Vice Chairman, Treasurer, Executive Director or any other Person or Persons authorized to act on behalf of the Commission by a written certificate signed on behalf of the Commission by the Chairman or Vice Chairman of the Commission, containing the specimen signature of each such Person.

"Authorized County Representative" shall mean any Person or Persons authorized to act on behalf of the County by a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of Chosen Freeholders, the County Treasurer or the County Chief Financial Officer and containing the specimen signature of each such Person which form of certificate is set forth as Exhibit E annexed hereto and incorporated by this reference herein.

"Authorizing Instrument" shall mean Ordinance No. 2017-00202 duly adopted by the Board of Chosen Freeholders of the County on May 10, 2017 approving and authorizing the execution and delivery of, *inter alia*, this Agreement.

"Basic Rent" shall mean (i) the sum of money representing principal and interest necessary to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2017-2 Bonds, payable by the County on each Lease Payment Date, as set forth in Exhibit B annexed hereto (as same may be amended in connection with the issuance by the Commission of an additional Series of B Bonds, if any) and incorporated by this reference herein and as described in Section 5.1(a) hereof, and (ii) the sum of money required to pay the Improvement Project Allocable Portion of the Redemption Price (as defined in the Resolution), if any, to the extent required to redeem the Series 2017-2 Bonds pursuant to Article IV of the Resolution.

"Bond Counsel" shall mean such lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Commission.

"Bonds" shall mean the Outstanding Series 2017-2 Bonds of the Commission authorized and issued pursuant to Article II of the Resolution, including the Series 2017C-2 Notes.

"Business Day" shall mean any day that is not a Saturday, Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Registrar, any Paying Agent, the Commission or the County is legally authorized to close.

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"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

"Commission" shall mean the Burlington County Bridge Commission, a public body corporate and politic of the State organized and existing under the Act and created pursuant to a resolution of the Board of Chosen Freeholders of the County adopted on October 22, 1948, and any successor to its duties and functions.

"Commission Administrative Expenses" shall mean the Improvement Project Allocable Portion of any and all expenses of the Commission and its agents, professionals and employees incurred or to be incurred by or on behalf of the Commission in the administration of its responsibilities under the Resolution and this Agreement including, but not limited to, (i) the Initial Commission Financing Fee, (ii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of the Series 2017-2 Bonds, the financing of the Improvement Project or the compelling of the full and punctual performance of the Resolution and this Agreement in accordance with the terms thereof and hereof, and (iii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Registrar, the Trustee or any other Fiduciaries and their counsel in connection with the performance of their respective fiduciary responsibilities under the Resolution and this Agreement, all to the extent not capitalized pursuant to the requirements of the Resolution, which Improvement Project Allocable Portion of the Commission Administrative Expenses shall be paid as Additional Rent by the County.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement among the Commission and the Trustee, acting as dissemination agent, dated December 13, 2017, as the same may be amended or supplemented from time to time.

"Cost" or "Costs" shall mean and be deemed to include, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Agreement, (a) the costs and expenses of the County incurred for labor and materials and payments to contractors, builders and material men in connection with the acquisition, construction and installation of the Improvement Project, the costs of payment of, or reimbursement for, acquisition, installation and financing of the Improvements including, but not limited to, advances or progress payments, installation costs, administrative costs and capital expenditures relating to installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs; (b) the cost of contract bonds and of insurance of any kind that may be required or that may be necessary during the course of construction of the Improvement Project which is not paid by the contractor or contractors or otherwise provided for; (c) the costs and expenses of the County for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties which are required by or which are consequent to the proper construction of the Improvement Project; (d) the Improvement Project Allocable Portion of the fees and charges of the Trustee pursuant to the Resolution, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Commission Financing Fee for the Series 2017-2 Bonds, all professional and consulting fees and charges of the Commission and the County, costs of rating agencies, bond insurance, fees for the printing, execution, transportation and safekeeping

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of the Series 2017-2 Bonds, and any charges and fees in connection with any of the foregoing; (e) all other costs which the County shall be required to pay under the terms of any contract or contracts for the acquisition, construction or installation of the Improvement Project, including, but not limited to, the cost of insurance; (f) any sums which are required to reimburse the County for advances made for any of the above items, or for any other costs which are properly incurred and for work done, which is properly chargeable to the Improvement Project; (g) the Improvement Project Allocable Portion of the deposits in any Fund or Account under the terms of the Resolution, all as shall be provided in the Resolution; (h) the payment of Debt Service on the Series 2017-2 Bonds, whether issued as Bonds or Notes; (i) the Improvement Project Allocable Portion of the Commission Administrative Expenses; and (j) such other expenses which are not specified herein as may be necessary or incidental to the construction, acquisition and installation of the Improvement Project, the financing thereof and the placing of the same in use and operation, including, without limitation, the acquisition, by purchase or lease, of the Real Property. "Cost" or "Costs", as defined herein, shall also include (i) the Improvement Project Allocable Portion of the cost and expenses incurred by any agent of the Commission or the County with respect to any of the above-mentioned items.

"County" shall mean the County of Burlington, New Jersey, a public body corporate and politic of the State.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to the Improvement Project Allocable Portion of the Series 2017-2 Bonds, an amount equal to the sum of (i) interest accruing during such period on such Improvement Project Allocable Portion of the Series 2017-2 Bonds except to the extent such interest is to be paid from deposits made from Series B Bond proceeds into the Improvement Project Account of the Debt Service Fund, if any, and (ii) the amount that is required to pay the Principal Payment due on such Improvement Project Allocable Portion of the Series 2017-2 Bonds during such period. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Debt Service Fund" shall mean the Debt Service Fund created and established in Section 502(5) of the Resolution.

"Debt Service Requirement" with respect to any Bond Payment Date for the Series 2017-2 Bonds shall mean, interest accrued and unpaid and to accrue to such date plus the Principal Amount due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Default" or "Event of Default" shall mean one or more of the events of default as defined in Section 8.1 hereof but not under the Resolution.

"Favorable Opinion of Bond Counsel" shall mean an opinion of Bond Counsel, addressed to the Commission, the Trustee and the County, to the effect that the action proposed to be taken is authorized or permitted by the Resolution and the Act and will not adversely affect the exclusion of interest on the Series 2017-2 Bonds from gross income for purposes of Federal income taxation under Section 103 of the Code.

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"Fiduciary" or "Fiduciaries" shall mean the Trustee, the Paying Agent, the Registrar, the dissemination agent under the Continuing Disclosure Agreement, if any, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean the twelve (12) month fiscal period of the County or the Commission, as applicable.

"Improvement Project" shall mean the design and construction of the Improvements initially financed with the proceeds of the Series 2017-2 Bonds, including the Commission's interest in the Real Property and the construction upon the Real Property of the Improvements, together with all necessary and incidental equipment, apparatus, structures and appurtenances, necessary or desirable for the efficient operation of the Improvement Project, all as described in Exhibit A annexed hereto and incorporated by this reference herein.

"Improvement Project Account" shall mean the respective Accounts of the Project Fund, Revenue Fund, Operating Fund, Proceeds Fund, Debt Service Fund and Rebate Fund established pursuant to Article V of the Resolution.

"Improvement Project Allocable Portion" shall mean, initially, 45.90% of the par amount of the Series 2017-2 Bonds issued as Series 2017C-2 Notes.

"Improvements" shall mean, collectively, the items of capital Improvements described in Exhibit A hereto, as Exhibit A is amended, supplemented and restated from time to time in connection with any capital Improvement constructed by the County as permitted hereunder in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, a capital Improvement then described in Exhibit A.

"Individual Improvement" shall mean each individual Improvement appearing on Exhibit A hereto or an Improvement added pursuant to Section 4.1(b) hereof.

"Initial Commission Financing Fee" shall mean the initial financing fee of the Commission for the Series 2017-2 Bonds, which, as of the date of execution of this Agreement in connection with the issuance of the Series 2017C-2 Notes, shall be in an amount equal to 0.08333% of the par amount of the Series 2017C-2 Notes (\$6,666.40). The Improvement Project Allocable Portion of the Initial Commission Financing Fee is \$3,059.88.

"Lease Payment" shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County upon demand pursuant to Section 5.1 hereof, respectively.

"Lease Payment Date" shall mean with respect to the Series 2017-2 Bonds issued as the Series 2017C-2 Notes, December 12, 2018, or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing an additional Series of Series 2017-2 Bonds or a Series of Refunding Bonds, if any, which dates shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Series 2017-2 Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

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"Lease Term" shall mean the duration of the leasehold estate created with respect to the Improvement Project, as specified in Section 3.2 hereof.

"Permitted Encumbrances" shall mean and include:

(a) undetermined liens and charges which are incidental to construction or maintenance, now or hereafter filed on record which are being contested in good faith and which have not proceeded to judgment;

(b) minor defects and irregularities in the title to the Improvement Project which do not in the aggregate materially impair the use of the Improvement Project for the purposes for which it is intended;

(c) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held;

(d) rights reserved to or vested in any county, municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Improvement Project which do not materially impair the use of the Improvement Project for the purposes for which it is intended;

(e) any obligations or duties affecting any portion of the Improvement Project of any county, municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(f) present or future valid zoning laws and ordinances;

(g) this Agreement and the Resolution, as each may be amended and supplemented from time to time in connection with the issuance of any Series of Series 2017-2 Bonds; and

(h) prior or subsequent lease and agreements between the Commission and the County.

"Person" or "Persons" shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

"Plans and Specifications" shall mean the plans and specifications for the Improvement Project, prepared by or on behalf of the County.

"Principal Amount" shall mean, as of any date of calculation, and with respect to any Outstanding Series 2017-2 Bonds the principal amount thereof.

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"Proceeds" shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to the Improvement Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 6.4 of this Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

"Proceeds Fund" shall mean the Proceeds Fund created and established under Section 502(4) of the Resolution.

"Project Fund" shall mean the Project Fund created and established pursuant to Section 502(1) of the Resolution.

"Purchase Option Price" shall have the meaning which is assigned to such term in Section 5.7(b) hereof.

"Real Property" shall mean the real property, as more particularly described in Exhibit A which is attached hereto and which by this reference is made a part hereof as if set forth in full herein, which shall, pursuant to the terms hereof, be leased by the County to the Commission and upon which the Improvements will be constructed by the County.

"Real Property Lease Term" shall mean the duration of the leasehold estate created with respect to the Real Property, as specified in Section 2.2 hereof.

"Rent", "Rental(s)" or "Rental Payment" shall mean the sum of Basic Rent and Additional Rent, which is payable by the County in connection with the lease of the Improvement Project pursuant to the terms of this Agreement.

"Resolution" shall mean the resolution duly adopted by the Commission on August \_\_, 2017, entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2017-2 County Leasing Program), Series 2017", as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

"Series 2017-2 Bonds" shall mean the Commission's Lease Revenue Bonds or Notes (as defined in the Resolution) issued from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Improvements.

"Series 2017C-2 Notes" shall mean the Commission's Lease Revenue Notes (2017-2 County Leasing Program), Series 2017 authorized and issued on December 13, 2017 in the aggregate principal amount of \$8,000,000 pursuant to Section 203 of the Resolution.

"State" shall mean the State of New Jersey or any successor to its duties and functions.

"Trustee" shall mean, with respect to the Series 2017-2 Bonds, TD Bank, National Association, and its successors or assigns or any other bank, trust company or national banking association appointed trustee pursuant to the Resolution.

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ARTICLE II

PROVISIONS RELATING TO REAL PROPERTY

SECTION 2.1. Lease of Real Property. The County hereby agrees to lease the Real Property, subject to Permitted Encumbrances, to the Commission, and the Commission hereby agrees to take and lease the Real Property, subject to Permitted Encumbrances, from the County, upon the terms and conditions which are set forth in this Agreement for the purpose of financing the Improvement Project Allocable Portion of the Improvement Project.

SECTION 2.2. Duration of Leasehold Estate in the Real Property; Real Property Lease Term. Subject to the provisions of Section 9.10 hereof, the Real Property Lease Term shall commence on the date hereof and shall terminate at such time as the Improvement Project Allocable Portion of the Series 2017-2 Bonds are no longer deemed to be Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the terms of this Agreement for a reason other than the Default of the County of any obligation hereunder, in which case, the Real Property Lease Term shall terminate on the date this Agreement is so terminated.

SECTION 2.3. Title to Real Property. The County has obtained either a leasehold interest in the Real Property for a period which is at least equal to the Real Property Lease Term, or, alternatively, has obtained or will obtain in connection with the construction of the Improvements good and marketable title to the Real Property, free and clear of all liens, charges and encumbrances, except for Permitted Encumbrances.

SECTION 2.4. Payment of Rent. The Commission shall pay to the County, in any coin or currency of the United States of America which at the time of payment constitutes legal tender for the payment of public and private debts, the sum of One Dollar (\$1.00) per year during the Real Property Lease Term.

SECTION 2.5. Use of Real Property. During the Real Property Lease Term, the Commission may enter upon, occupy and use the Real Property in order to complete construction or to cause the County to complete construction of the Improvements thereon.

SECTION 2.6. Quiet Enjoyment of Real Property. During the Real Property Lease Term, the Commission shall have peaceful and quiet use and possession of the Real Property without any hindrance or interference on the part of the County, except as otherwise provided in this Agreement.

ARTICLE III

PROVISIONS RELATING TO LEASE OF IMPROVEMENT PROJECT

SECTION 3.1. Lease of Improvement Project. (a) The Commission hereby agrees to lease the Improvement Project to the County and the County hereby agrees to take and lease the Improvement Project from the Commission, on the terms and conditions which are set forth in this Agreement.

(b) Pursuant to the terms of Article II hereof, the Commission has obtained a leasehold interest in the Real Property for a period which is at least equal to the Lease Term.

SECTION 3.2. Duration of Lease Term. Subject to the provisions of Section 9.10 hereof, the Lease Term shall commence on the date hereof and shall terminate on the first date upon which no Series 2017-2 Bonds are Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the terms of this Agreement for a reason other than the Default of the County of any obligation hereunder, in which case, the Lease Term shall terminate on the date this Agreement is terminated.

ARTICLE IV

CONSTRUCTION OF IMPROVEMENT PROJECT AND ISSUANCE OF SERIES 2017-2 BONDS

SECTION 4.1. (a) Construction of Improvement Project and Substitution or Addition of Improvements. The Commission will continue to cause the County to complete acquisition, construction and installation of the Improvement Project specified in Exhibit A on the Real Property in accordance with the Plans and Specifications.

The Commission and the County agree that the County is responsible for the letting of contracts for the design, acquisition, construction and installation of the Improvement Project, supervision of construction, acceptance of the completed Improvement Project or parts thereof, and all other matters which are incidental thereto in connection with the acquisition, construction and equipping of the Improvement Project. The County understands and agrees that it will cause such design, acquisition, construction and installation to be completed as soon as may be practicable, but if for any reason such design, acquisition, construction and installation is delayed, there shall be no diminution in or postponement of the amounts which are due and payable by the County under the terms of this Agreement.

Contracts to be let in connection with the design, acquisition, construction and installation of the Improvement Project shall be let in accordance with all applicable State competitive bidding laws and shall have the same general form and content as similar contracts let by the County; provided, however, that all construction contracts entered into by the County shall provide that, upon a termination of this Agreement by reason of the occurrence of an Event of Default, such construction contract may be terminated and the contractor shall be entitled to payment only for the work done prior to such termination. The County agrees that it shall require each contractor engaged in the design, acquisition, construction and installation of the

Improvement Project to provide a performance bond, in an amount which is at least equal to its contract price, as security for the faithful performance of its contract and also a payment bond, in an amount which is not less than one hundred percent (100%) of its contract price, as security for the payment of all Persons performing labor or furnishing materials in connection with such contract. In lieu of furnishing such bonds, the contractor may secure the faithful performance of its contract and secure the payment of all Persons performing labor or furnishing materials in connection with such contract by providing an irrevocable letter of credit from a reputable lending institution which is satisfactory to the County in an amount which is equal to one hundred percent (100%) of its contract price.

The Commission makes no warranties or representations and accepts no liabilities or responsibilities with respect to the adequacy, sufficiency or suitability of or defects in or with respect to the design, acquisition, construction or equipping of the Improvement Project, except as shall be covered under the terms of any performance bonds or insurance policies which are provided by the contractor for the benefit of the County and the Commission, and in such case only to the extent of the recovery thereunder.

During the period of construction, the County will, at its own cost and expense, promptly comply with all laws, rules, regulations and other governmental requirements including, without limitation, those pertaining to the environment, whether or not the same require structural repairs or alterations, which may be applicable to the County and the Improvement Project or the construction of the Improvement Project. The County shall also, during said period, observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Improvement Project.

(b) Addition or Substitution of Individual Improvements. As contemplated by this Agreement, a portion of the Costs of the Improvements set forth in Exhibit A will be initially financed with Series 2017 Note proceeds; provided, however, that, prior to the County's delivery of a Completion Certificate for any Individual Improvement, the County may, for any reason, elect to substitute one or more other Individual Improvements for the Individual Improvements that were previously contemplated; provided, however, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized County Representative expressing the County's intent to substitute Individual Improvements pursuant to this Agreement and to the effect that (A) the aggregate value of all Individual Improvements financed with proceeds of the applicable Series of Series 2017-2 Bonds for which an acceptance certificate has been delivered plus the value of the new Individual Improvements to be acquired, constructed and installed with proceeds of the applicable Series of Series 2017-2 Bonds is equal to at least 100% of the amount of Bond proceeds of the applicable Series of Series 2017-2 Bonds initially deposited in the Improvement Project Account of the Project Fund established for the Improvements pursuant to the Resolution, (B) the estimated weighted average useful life of all the Individual Improvements to be acquired or constructed hereunder with proceeds of the applicable Series of Series 2017-2 Bonds after the substitution is equal to or greater than the weighted average useful life of all the Individual Improvements at the time of issuance of the applicable Series of the Series 2017-2 Bonds, (ii) a new Exhibit A to this Agreement setting out the new Individual Improvements to be acquired or constructed and identifying the new Real Property to which such new Individual Improvements shall be made and identifying the Real Property to which no Improvements shall be made as a result of such substitution, (iii) a Counsel's Opinion (as defined in the Resolution) to the effect that each of such substitutions and

this Agreement, as supplemented thereby, is in compliance with all applicable laws, and that the financing of such new Individual Improvements falls within the corporate powers of the Commission, and (iv) an opinion of nationally recognized Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Series 2017-2 Bonds from the gross income of the owners thereof for Federal income taxation purposes. The County may not elect to substitute or exchange Improvements for an Individual Improvement pursuant to this Agreement for which the County has furnished to the Trustee an acceptance certificate. To the extent excess Series B Bond proceeds remain in the Improvement Project Account of the Project Fund established for the Improvements pursuant to the Resolution after all of the Individual Improvements set forth in Exhibit A hereof to be financed with proceeds of the applicable Series of Series 2017-2 Bonds have been acquired or completed, the County may apply such excess proceeds to the acquisition, construction and installation of additional Individual Improvements, but such application may only occur if the Trustee shall have received (i) a Certificate of an Authorized County Representative expressing the County's intent to add Individual Improvements pursuant to this Agreement, (ii) a Counsel's Opinion that is satisfactory to the Commission to the effect that each such addition and this Agreement, as supplemented thereby, is in compliance with all applicable laws and that the financing of such new Individual Improvements falls within the corporate powers of the Commission, and (iii) an opinion of nationally recognized Bond Counsel to the effect that such addition will not adversely affect the exclusion of interest on any Series of Series 2017-2 Bonds from the gross income of the owners thereof for Federal income taxation purposes.

SECTION 4.2. Issuance of Series 2017-2 Bonds. (a) In order to provide funds for, among other things, the payment of the Costs of the Improvement Project Allocable Portion, the Commission will use its best efforts to issue, sell and deliver the Series 2017-2 Bonds.

(b) The County shall cooperate with the Commission in furnishing to the Commission and the Trustee all documents required to effectuate the issuance of the Series 2017-2 Bonds, including the execution and delivery of certificates, resolutions, opinions and disclosure materials necessary in connection therewith.

(c) In the event moneys in the Improvement Project Account of the Project Fund are not sufficient to design, acquire, construct and install the Improvement Project, the County shall so notify the Commission and the Trustee and the County shall be obligated to pay the balance of the Cost of the Improvement Project out of funds of the County legally available therefor. In such event, the County shall not be entitled to any reimbursement from the Commission as a result of such payment.

SECTION 4.3. Completion Date. The completion date of the design, acquisition, construction and equipping of the Improvement Project shall be evidenced to the Trustee by (a) a certificate of an Authorized County Representative stating that such design, acquisition and construction of the Improvement Project and acquisition or installation of necessary and incidental equipment has been completed substantially in accordance with the Plans and Specifications, and (b) a certificate of an Authorized Commission Representative stating that such design, acquisition and construction of the Improvement Project and acquisition or installation of necessary and incidental equipment has been completed and that payment of the Cost, or adequate provision therefor, has been made. Notwithstanding the foregoing, the certificates referred to in clauses (a) and (b) hereof shall state that they are given without

prejudice to any rights against third parties which exist as of the date of such certificates or which may subsequently come into being. If, upon the completion of the design, acquisition, construction and equipping of the Improvement Project, there shall be any surplus funds remaining which are not required to provide for the payment of the Costs of the Improvement Project, such funds shall be deposited and applied as provided in the Resolution.

**SECTION 4.4. Default in Contractors' Performance.** In the event of a default of any contractor or subcontractor under the terms of any contract made in connection with the Improvement Project, the County will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the County against the contractor or subcontractor in default and against each surety for the performance of such contractor. The County agrees to advise the Commission, in writing, of the steps it intends to take in connection with any such default. If the County shall so notify the Commission, the County, in good faith and in its own name, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor or surety which the County deems reasonably necessary. Any amounts which are recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid by the County to the Trustee, and applied to payment of the Costs of the Improvement Project, in accordance with the terms of the Resolution.

**SECTION 4.5. Application of Series B Bond Proceeds and Other Funds.** (a) Upon original issuance of the Series 2017-2 Bonds as Series 2017C-2 Notes, the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Improvement Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Improvement Project Allocable Portion of the Series 2017-2 Bonds, including the Improvement Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Improvement Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$3,672,000.00 for deposit in the Improvement Project Account of the Project Fund to be used to pay Costs of the Improvement Project.

(b) The Commission has in the Resolution authorized and directed the Trustee to make payments from the Improvement Project Account of the Project Fund to pay Costs of the Improvement Project upon receipt by the Commission and the Trustee of a requisition in the form set forth in Exhibit C attached hereto signed by an Authorized County Representative and by an Authorized Commission Representative (which approval shall not be unreasonably withheld), which requisition shall certify with respect to each payment to be made: (i) the requisition number, (ii) the name and address of the Person, firm, corporation or agency to whom payment is due or has been made, (iii) the amount to be paid, (iv) the Costs of the Improvement Project to which the requisition relates, (v) that the Costs have been incurred by the County and are proper charges against the Improvement Project Account of the Project Fund, are proper Costs of the Improvement Project for which the Improvement Project Account of the Project Fund was established and such Costs have not been previously paid, (vi) that the County has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys which are payable pursuant to such requisition to any of the Persons, firms or corporations named in such requisition, or if any such lien, attachment or claim has been filed with or served upon the County, that such lien, attachment or claim has been released or discharged, and (vii) that such requisition contains no

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item which represents payment on account of any retained percentages which the County is at the date of such certificate entitled to retain.

(c) In the case of expenses which have been incurred by the County for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs or revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Improvement Project or payments which are to be made for labor and to contractors, builders and material-men in connection with such construction or payments which are to be made for restoration of property which has been damaged or destroyed in connection with such construction, a certificate of an Authorized County Representative, attached to such requisition, certifying that such Authorized County Representative has made reasonable investigations and that, to the best of his or her knowledge, each such obligation has been properly incurred by the County, and that insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Improvement Project or that such materials, supplies or equipment were fabricated for the construction thereof.

(d) The Commission agrees to cooperate with the County in furnishing to the Trustee any documents required to effect payments out of the Improvement Project Account of the Project Fund in accordance with this Section. Such obligation of the Commission is subject to any provisions of the Resolution requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Improvement Project Account of the Project Fund available for payment under the terms of the Resolution.

## ARTICLE V

### RENTALS AND OTHER PAYMENTS

**SECTION 5.1. Payment of Rentals.** The Commission and the County each acknowledge and agree that the Basic Rent payments due under this Agreement (as set forth in Exhibit B hereto, as same may be amended from time to time in connection with additional Series of Series 2017-2 Bonds as authorized pursuant to the terms of the Resolution) reflect the Improvement Project Allocable Portion. By execution hereof, the County agrees to repay to the Commission the Cost of the Improvement Project Allocable Portion and to pay Additional Rent in connection therewith as follows:

(a) The County shall pay to the Trustee, at the address set forth in Section 9.7 hereof as Basic Rent, on the Lease Payment Date, the amount in accordance with the schedule of Basic Rent set forth in Exhibit B hereto which, together with other moneys and interest and investment earnings available therefor, if any, will equal the County's Basic Rent obligation which is to be applied to the payment of the Improvement Project Allocable Portion of the Debt Service due on the Series 2017-2 Bonds on the next succeeding Bond Payment Date.

(b) The County shall pay to the Trustee, as the same shall become due and payable at any time during the Lease Term, on any Lease Payment Date or thirty (30) days after demand by

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the Commission or the Trustee, the following Additional Rent for the Improvement Project Allocable Portion:

- (1) The Improvement Project Allocable Portion of the Commission Administrative Expenses as shall have been submitted by the Commission to the Trustee and to an Authorized County Representative as contained in a certificate executed by an Authorized Commission Representative;
- (2) The Improvement Project Allocable Portion of the fees and expenses of the Trustee, the Registrar and any Paying Agents for the Series 2017-2 Bonds;
- (3) Insurance policy premiums if paid by the Commission pursuant to Section 6.4(h) hereof; and
- (4) Any other Additional Rent.

(c) The Commission shall deliver to the County and the Trustee a certificate, from time to time as necessary, which reflects credits, if any, to be applied toward the Basic Rent obligation of the County in accordance with the provisions hereof and of the Resolution.

In accordance with the Resolution, the County shall be notified annually, in writing, by the Trustee of the amounts arising from investment earnings, if any, but such amounts shall not be applied as a credit against the Basic Rent payment obligations of the County except as set forth in Section 507(4) of the Resolution. In the event a dispute arises between the Commission and the County with respect to the amount of Basic Rent due and owing by the County, or the credits to be applied toward the County's Basic Rent obligation, such dispute shall be resolved by the Commission. The Trustee shall have no obligation with respect thereto. Notwithstanding any credits which may accrue to the County during the Lease Term, the County is obligated to pay all amounts which constitute Rentals which are due under this Agreement.

(d) Any Rentals due and owing pursuant to this Section 5.1 which are not paid by the County on or before the due date thereof shall, from and after said due date, bear interest (to the extent permitted by State law) at the highest rate per annum borne by the Outstanding Series 2017-2 Bonds of the Commission until paid, time being of the absolute essence of this obligation. Any interest amounts owed by the County pursuant to this Section 5.1(d) shall constitute Additional Rent and shall be paid to the Trustee after demand by the Commission.

(e) All Rental Payments by the County shall be made in immediately available funds and shall be paid to the Trustee at the address set forth in Section 9.7 hereof.

(f) By execution hereof, the County expressly acknowledges the Commission's right to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel compliance and to enforce the County's full and timely payment of Basic Rent payments hereunder.

**SECTION 5.2. Indemnification.** (a) Both during the Lease Term and, thereafter, the County shall, to the extent permitted by State law, indemnify and hold the Commission and the

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Trustee harmless against, and the County shall pay any and all liability, loss, cost, damage, claims, judgments or expenses (including reasonable attorneys' fees and expenses), of any and all kinds or nature and howsoever arising, other than as a result of the gross negligence or willful misconduct of the Commission or the Trustee, their members, officers, agents, professionals, servants or employees, which the Commission or the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or both, or upon or arising out of contracts entered into by the County or the Commission relating to the Improvement Project, or the bidding or awarding of contracts with respect thereto, or arising out of the Commission's ownership of the Improvement Project or the leasing thereof to the County, or arising out of the acquisition, construction, installation, use, operation or maintenance of the Improvement Project pursuant to the terms of this Agreement, or arising out of or caused by any untrue or misleading statement of a material fact relating to the County in the Official Statement of the Commission dated November 29, 2017 (the "Official Statement") or any omission of any material fact relating to the County in the Official Statement. It is mutually agreed by the County and the Commission that, after commencement of the Lease Term as provided in Section 3.2 hereof, neither the Commission, the Trustee nor their respective members, commissioners, officers, agents, professionals, servants or employees shall be liable in any event for any action performed under this Agreement and that the County shall, to the extent permitted by State law, save the Commission and the Trustee harmless from any claim or suit of whatsoever nature arising hereunder except for such claims or suits arising as a result of the Commission's or the Trustee's gross negligence or willful misconduct. This provision shall survive the end of the Lease Term and the final maturity of the Series 2017-2 Bonds.

(b) The County, at its own cost and expense, shall, to the extent permitted by State law, defend any and all such claims, suits and actions which may be brought or asserted against the Commission, the Trustee or their respective members, commissioners, officers, agents, professionals, servants or employees relating to the performance of their respective obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Agreement from its obligation to defend the County, the Commission, the Trustee and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy. The County agrees that it shall give the Commission and the Trustee prompt notice, in writing, of the County's actual or constructive knowledge of the filing of each such claim and the institution of each such suit or action.

(c) The Commission agrees that it:

- (1) shall give the Authorized County Representative prompt notice, in writing, upon its actual or constructive knowledge of the filing of each such claim and the institution of each such suit or action;
- (2) shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action; and
- (3) shall permit the County to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the County shall keep the Commission

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informed as to the progress of any suit, claim or action, and the County shall not reach a final settlement, adjustment or compromise without the Commission's prior approval, which approval shall not be unreasonably withheld.

(d) To the extent permitted by State law, any reasonable cost incurred by the Commission or the Trustee for its respective attorneys, experts' testimony costs and any and all reasonable costs to defend the Commission or the Trustee or any of its respective directors, officials, members, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Trustee for the benefit of the Commission or the Trustee, as the case may be, by the County as an Improvement Project Allocable Portion of a Commission Administrative Expense constituting Additional Rent under Section 5.1(b) hereof.

#### SECTION 5.3. Nature of Obligations of the County.

(a) The County shall be obligated to pay all amounts due under this Agreement which constitute Rentals, including Improvement Project Allocable Portion of Commission Administrative Expenses, which amounts shall be sufficient to amortize the Improvement Project Allocable Portion of the Debt Service on the Series 2017-2 Bonds and to fulfill its payment obligations hereunder. The obligation of the County to pay Rentals and to pay all other amounts provided for in this Agreement and to perform its obligations under this Agreement shall be absolute and unconditional, and such Rentals and other amounts shall be payable without any rights of set-off, recoupment or counterclaim it might have against the Commission, the Trustee or any other Person and whether or not the Improvement Project continues to be used by the County or available for use by the County.

(b) The County shall not terminate this Agreement (other than such termination as is provided for under Section 5.7 hereof) or be excused from performing its obligations hereunder or be entitled to any abatement of its obligation to pay Rentals or any other amounts hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Improvement Project, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Improvement Project, or the failure of the Commission to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

SECTION 5.4. County Lease Payment Obligation. Notwithstanding anything in this Agreement to the contrary, the cost and expense of the performance by the County of its obligations under this Agreement and the incurrence of any liabilities of the County under this Agreement including, without limitation, the obligation for the payment of all Rentals and all other amounts required to be paid by the County under this Agreement is a direct and general obligation for which the full faith and credit of the County is hereby pledged, which obligation is not subject to County appropriation and the County shall be required to pay the Rentals and such other amounts required to be paid by the County under this Agreement out of the first funds becoming legally available to the County for this purpose.

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SECTION 5.5. Nature of Obligations of the Commission. The cost and expense of the performance by the Commission of any of its obligations under the terms of this Agreement shall be limited to the availability of the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds which have been issued for such purposes or from other funds received by the Commission under the terms of this Agreement or from insurance policies held by or for the benefit of the Commission and which are available for such purposes.

#### SECTION 5.6. Assignment of Payments by Commission.

(a) It is understood that all payments which are received by the Commission from the County under the terms of this Agreement (except payments which are made pursuant to Sections 5.1(b) and 5.2 hereof) are to be assigned by the Commission to the Trustee pursuant to the terms of the Resolution. Such assignment of payments by the Commission to the Trustee shall impose no duties or responsibilities on the Trustee with respect to the obligations of the Commission under the Resolution or this Agreement. To the extent any payments made pursuant to Section 5.2 hereof are derived from the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds, such payments shall nonetheless be assigned by the Commission to the Trustee pursuant to the terms of the Resolution.

(b) The Commission agrees to notify the County, by the execution of an appropriate instrument making such assignment to the Trustee, and the County consents to such assignment and agrees that, upon receipt of such notification, it will pay directly to the Trustee as its principal corporate trust office all payments which are due and payable by the County to the Commission pursuant to the terms of this Agreement (except payments which are required to be made pursuant to Sections 5.1(b) and 5.2 hereof) without any defense, set-off or counterclaim arising out of any default on the part of the Commission hereunder. Except as provided in this Section 5.6, the Commission shall not assign this Agreement or any payments which are required to be made under the terms of this Agreement. Except as provided in Section 8.2 hereof, the Commission shall not sell or otherwise encumber its interest in the Improvement Project.

#### SECTION 5.7. Option to Purchase Improvement Project Prior to Expiration of Agreement.

(a) As long as no Event of Default has occurred and is continuing, the County shall have and may exercise, at any time prior to the expiration of the Lease Term, the option to purchase the Improvement Project upon payment to the Commission of the purchase price therefor in an amount as provided in paragraph (b) below. The County may exercise such option upon thirty (30) calendar days' prior written notice to the Commission and the Trustee.

(b) In the event the County determines to exercise its option to purchase the Improvement Project, the County shall deposit with the Trustee an amount which is equal to the Purchase Option Price. The Purchase Option Price as of any date shall mean the amount equal to (i) the aggregate amount of principal and interest and redemption premium, if any (collectively, the "Aggregate Debt Service Obligation"), payable in respect of the Improvement Project Allocable Portion of the then Outstanding Series 2017-2 Bonds at their maturity or earliest optional redemption date, if any, plus (ii) any Additional Rent and other amounts due and owing pursuant to Sections 5.1(a) and (b) hereof, including but not limited to, escrow verification fees. The principal and interest as of the Lease Payment Date (based on the assumption that all other

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scheduled payments due on and prior to such date have been paid) with respect to the Improvement Project Allocable Portion is as shown on Exhibit B which is attached hereto and which by this reference is made a part hereof as if set forth in full herein (which shall be amended in connection with the issuance of any additional Series of Series 2017-2 Bonds). All payments of Basic Rent which have been made by the County under the terms of Section 5.1(a) hereof prior to the date of the notice delivered by the County, as provided above, shall be credited toward the purchase price of the Improvement Project in arriving at the Purchase Option Price. The Purchase Option Price may be paid in such lesser amount such that, upon investment of all or a portion thereof in obligations described in subparagraph (a) of the definition of "Investment Securities" contained in Section 101 of the Resolution, the maturing principal of and interest on which (together with any uninvested cash) shall be sufficient to pay the Aggregate Debt Service Obligation, payable in respect of the Improvement Project Allocable Portion of the then Outstanding Series 2017-2 Bonds at their maturity or earliest optional redemption date, if any, plus Additional Rent and other amounts due and owing pursuant to clause (ii) hereof.

(c) Upon the exercise by the County of its option to purchase the Improvement Project (as evidenced by the deposit of the Purchase Option Price with the Trustee, as required by paragraph (b) above), the County shall have no further obligation under the terms of this Agreement; provided, however, that the provisions of Section 5.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such exercise. Upon the exercise of the County's option to purchase the Improvement Project, the Commission and the County shall take all necessary actions to authorize, execute and deliver any and all documents which are required to transfer the Commission's interest in the Improvement Project to the County.

#### SECTION 5.8. Transfer of Title to Improvement Project.

In the event that the County has made payment of all Rentals, as provided in this Article V, throughout the Lease Term, or has exercised its option to purchase the Improvement Project, as provided in Section 5.7 hereof, and no Event of Default shall have occurred and be continuing, title to the Improvement Project shall be transferred to the County. Such transfer shall occur upon receipt by the Commission of notice from the Trustee of receipt by the Trustee of the final Rental Payment or the Purchase Option Price, as the case may be. In such event, this Agreement shall terminate and all of the rights, duties and obligations of the parties hereto shall cease as of the date of such notice, except that the provisions of Section 5.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such termination.

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## ARTICLE VI

### COVENANTS OF COUNTY

SECTION 6.1. Operation, Maintenance and Repair of Improvement Project. The County covenants and agrees that at all times during the Lease Term, the County shall be responsible for, and shall pay all costs and expenses of (a) operating the Improvement Project, (b) maintaining the same in good condition, and (c) making all necessary repairs and replacements, interior and exterior, structural and non-structural. The Commission shall have no responsibility in any of these matters, or for the making of improvements or additions to the Improvement Project.

SECTION 6.2. Utilities. The County will pay all charges for water, electricity, light, heat or power, sewage, telephone and other utility service which is rendered or supplied upon or in connection with the Improvement Project.

SECTION 6.3. Additions, Enlargements and Improvements. The County shall have the right at any time and from time to time during the Lease Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project, as the County shall deem to be necessary or desirable in connection with the use of the Improvement Project; provided, however, that prior to making any such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project, the County shall obtain all necessary permits and approvals relating to same. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the Improvement Project or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid by the County or discharged so that the Improvement Project shall at all times be free of liens for labor and materials supplied thereto, except for Permitted Encumbrances. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Improvement Project shall be and become a part of the Improvement Project, during the Lease Term, and shall, subject to Article III hereof, be the property of the Commission.

SECTION 6.4. Provisions Regarding Insurance. (a) At all times during construction of the Improvement Project and until the Improvement Project is available for use by the County, the County shall, at its own expense, continue to maintain or continue to cause to be maintained with responsible insurers, at a minimum, the following kinds and the following amounts of insurance with respect to the Improvement Project, if applicable, with such variations as shall reasonably be required to conform to customary insurance practice:

- (1) Builder's risk insurance regarding structures and facilities designed as part of the Improvement Project as is customarily carried by owners of similar rental properties with respect to such facilities when under construction, in an amount which is at least equal to one hundred percent (100%) of the value of the Improvement Project as determined from time to time, calculated after taking into account current contract costs, less noninsurable items. The net proceeds of any such insurance, after deduction therefrom of expenses of collection, shall be deposited and used

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as determined by the Commission in accordance with provisions of the Resolution and shall be applied to pay the Cost of the Improvement Project.

- (2) Such public or comprehensive liability insurance, in the minimum amount of \$1,000,000 liability for any one Person and \$3,000,000 liability for any one occurrence for personal injury, and \$500,000 liability for any one occurrence for property damage, and such insurance shall protect against any and all penalties, costs, including reasonable attorneys' fees, claims, demands and causes of action due directly or indirectly to the use, disuse or interest in the Improvement Project.
- (3) Such other and additional insurance (including workers' compensation insurance) as is customarily carried by Persons in similar circumstances with respect to similar construction operations or similar property or structures and facilities.

To the extent, however, that any part of said insurance is carried by others for the benefit of the County, the County shall not be obligated hereunder to procure or maintain such part of said insurance.

(b) Upon the availability of the Improvement Project, or any portion thereof, for use by the County, and thereafter during the Lease Term, the County agrees to pay for or provide comprehensive general liability coverage which will pay, on behalf of the Commission and the Trustee, all sums which the Commission and the Trustee shall become legally obligated to pay as damages because of bodily injury or death and property damage caused by any occurrence at or in connection with the use of the Improvement Project and the Commission and the Trustee shall be additional named insureds.

Such insurance shall afford protection to the Commission and the Trustee, in the minimum amount of \$1,000,000 liability for any one Person and \$3,000,000 liability for any one occurrence for personal injury, and \$500,000 liability for any one occurrence for property damage, and such insurance shall protect the Commission and the Trustee against any and all penalties, costs, including reasonable attorneys' fees, claims, demands, and causes of action due directly or indirectly to the use, disuse, misuse or interest in the Improvement Project.

(c) Upon the availability of any portion of the Improvement Project for use by the County and thereafter during the Lease Term, the County shall obtain and maintain with responsible insurers authorized to do business in the State, or in such other manner as may be required or permitted by law, fire, extended coverage, earthquake and flood insurance on the Improvement Project, if applicable (including, without limiting the generality of the foregoing, if available on reasonable terms from the United States of America or any agency thereof or corporation organized thereby, war risk coverage), in an amount which is at least equal to the current full insurable replacement value thereof (exclusive of excavations and foundations but inclusive of debris removal costs), as determined by the County and adjusted, if required, annually with a deductible amount of not more than \$100,000; *provided, however*; that earthquake insurance and flood insurance shall be required only if same are available on reasonable terms. No policy of insurance shall be so written that the proceeds thereof will

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(h) In the event of failure of the County to pay any premium or other charge with respect to insurance which it is obligated to procure and maintain pursuant to the terms of this Section 6.4, the Commission may (but shall be under no obligation to) pay such premium and secure and maintain such policy at the cost and expense of the County and all amounts so advanced therefor by the Commission shall become immediately due and payable as Additional Rent to the Commission pursuant to Section 5.1(b)(3) hereof.

(i) To the extent permitted by State law, the County agrees to hold the Commission and the Trustee harmless for any loss to property resulting from any act of negligence that results in a loss or losses which is or which are insured under the foregoing insurance coverages.

(j) If the County maintains a program of self-insurance, the County may insure the Improvement Project in its self-insurance program and shall provide an adequate insurance fund to pay losses and shall demonstrate, to the satisfaction of the Commission, that such self-insurance is sufficient to provide the coverages required under this Section 6.4. Notwithstanding the foregoing, if the County elects to self insure the Improvement Project, in the event the Improvement Project is damaged or destroyed, the County shall immediately pay over to the Commission all moneys for such damage or loss for deposit with the Trustee to be applied in accordance with Sections 6.5 and 6.6 hereof.

Any insurance policy maintained pursuant to this Section 6.4 shall be so written or endorsed as to make losses, if any, payable to the County, the Commission and the Trustee as their respective interests may appear. The Proceeds of the insurance required in this Section 6.4 shall be applied as provided in Sections 6.5 and 6.6 hereof.

**SECTION 6.5. Damage or Destruction.** The County agrees to immediately notify the Commission and the Trustee in the case of damage to or destruction of the Improvement Project or any portion thereof in an amount exceeding \$250,000 resulting from fire or other casualty. In the event that the amount of any such damage or destruction does not exceed \$250,000, the County will forthwith repair, reconstruct and restore the Improvement Project to substantially the same condition as existed prior to the event causing such damage or destruction and the County will apply the net Proceeds of any insurance relating to such damage received by the County pursuant to Section 6.4 hereof to the payment or reimbursement of the costs of such repair, reconstruction and restoration.

In the event that the Improvement Project, or any portion thereof, is damaged or destroyed by fire or other casualty and the damage or destruction is estimated to exceed \$250,000, then the County shall, within ninety (90) days after such damage or destruction, elect one of the following two options by written notice of such election to the Commission and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** The County may elect to repair, reconstruct and restore the Improvement Project. In such event, the County, the Commission and the Trustee will cause the Proceeds of any insurance claim to be applied to the prompt repair, restoration or replacement of the Improvement Project. Any Proceeds received by the Commission shall be deposited in the Improvement Project Account of the Project Fund and be applied by the Trustee to complete the payment of the Cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for

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produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without obtaining the prior written consent thereto of the Commission. Such insurance shall provide for rent or rental value insurance or business interruption insurance against loss of Rentals and other sums due hereunder resulting from the aforesaid risks insured against. Such insurance shall be written and maintained in an amount at least equal to the annual Rentals plus an amount equal to all of the other sums payable by the County hereunder including, without limitation, any real estate taxes, if any, assessments, utility charges and premiums necessary to maintain the insurance required to be maintained hereunder. Such rent or rental value or business interruption insurance shall be made payable solely to the Commission during the Lease Term and shall be applied periodically to the Rent and other sums due and to become due pursuant to this Agreement until the restoration or completion of the Improvement Project. All policies evidencing any insurance which is required by the terms of this paragraph (c) shall be carried in the name of the County, the Commission and the Trustee, as their respective interests may appear, and shall contain standard clauses which provide for the net proceeds of such insurance resulting from claims (per casualty) thereunder which are less than \$250,000 for loss or damage covered thereby to be made payable directly to the County and net proceeds from such claims equal to or in excess of \$250,000 (per casualty) to be made payable directly to the Trustee (other than rent or rental value or business interruption insurance which shall be payable solely to the Commission).

(d) During the Lease Term, the County shall obtain and maintain with responsible insurers authorized to do business in the State, or in such other manner as may be required or permitted by law, any other insurance which has been agreed to by the County and the Commission.

(e) All insurance policies which are obtained by or on behalf of the County or the Commission under the terms of this Agreement shall be open to inspection by the Commission, the County and the Trustee at all reasonable times.

(f) Notwithstanding any of the foregoing provisions of this Section 6.4, the County shall not be required to obtain or maintain any class or type of insurance required by this Agreement for which it is authorized and able to obtain and maintain an appropriate substitute arrangement under which the Commission would be fully protected from general public liability arising from its ownership or interest in the Improvement Project or under which assurance will be provided that funds will be available to repair, restore, rebuild or replace the Improvement Project upon damage, loss or destruction of the Improvement Project, or under which moneys would be available to the County from a lawful source to pay the Rentals and other payments which are required to be made under the terms of this Agreement in the event of the damage, loss or destruction of the Improvement Project. No such arrangement or arrangements shall be substituted by the County for the insurance required to be obtained and maintained pursuant to the foregoing provisions of this Section 6.4, unless and until each such arrangement shall have been approved, in writing, by the Commission.

(g) In lieu of separate policies, the County may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverages required herein, in which event it shall deposit with the Commission and the Trustee a certificate or certificates of the respective insurers as to the amount of such coverages in force upon the Improvement Project.

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the payment of the Cost of the Improvement Project from the Improvement Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of the Improvement Project shall be transferred by the Trustee to the Improvement Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward the Basic Rent obligations of the County on the Lease Payment Date in accordance with Sections 503(7) and (8) of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt Service on the Outstanding Series 2017-2 Bonds is fully paid or provided for by the Commission.

(b) **Option B - Prepayment of Rent.** Alternatively, the County may elect to have the Proceeds of insurance payable as a result of such damage or destruction applied to the prepayment of Basic Rent hereunder. In such event the County shall, in its notice of election to the Commission and the Trustee, direct that such Proceeds, when and as received, be deposited in the Improvement Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt Service on the Outstanding Series 2017-2 Bonds is fully paid or provided for by the Commission.

**SECTION 6.6. Condemnation.** This Agreement and the interest of the County in the Improvement Project, or any portion thereof, which is condemned or taken for any public or quasi-public use shall be terminated when title thereto vests in the party condemning or taking the same (hereinafter referred to as the "termination date"). The County and the Commission hereby irrevocably assign to the Trustee all right, title and interest of the County in and to any Proceeds of any award, compensation or damages (hereinafter referred to as an "award"), payable in connection with any such condemnation or taking of the Improvement Project, or any portion thereof, during the Lease Term. Such Proceeds shall be initially paid to the Trustee for disbursement or use as hereinafter provided.

In the event of any such condemnation or taking, the County shall, within ninety (90) days after the termination date thereof, elect one of the following two options by written notice of such election to the Commission and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** The County may elect to use the Proceeds of the award made in connection with such condemnation or taking for repairs and improvements to the Improvement Project. In such event, the County, the Commission and the Trustee will cause the Proceeds of any condemnation award to be applied to the prompt repair, restoration or replacement of the Improvement Project. Any Proceeds received by the Commission shall be deposited in the Improvement Project Account of the Project Fund and be applied by the Trustee to complete the payment of the Cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for the payment of the Cost of the Improvement Project from the Improvement Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of the Improvement Project shall be transferred by the Trustee to the Improvement Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward

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the Basic Rent obligations of the County on any Lease Payment Date in accordance with Sections 503(7) and (8) of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on the Improvement Project Allocable Portion until the Improvement Project Allocable Portion of the Debt Service on the Outstanding Series 2017-2 Bonds is fully paid or provided for by the Commission.

(b) Option B - Prepayment of Rent. The County may elect to have the Proceeds payable as a result of condemnation award applied to the prepayment of Basic Rent hereunder. In such event the County shall, in its notice of election to the Commission and the Trustee, direct that such Proceeds, when and as received, be deposited in the Improvement Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on the Improvement Project.

The Commission shall cooperate fully with the County in the handling and conducting of any prospective or pending condemnation proceedings with respect to the Improvement Project or any part thereof and will, to the extent it may lawfully do so, permit the County to litigate in any such proceeding in the name and on behalf of the Commission. In no event will the Commission voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings with respect to the Improvement Project or any part thereof without the prior written consent of the County.

SECTION 6.7. Insufficiency of Proceeds. If the County elects to repair, restore or replace the Improvement Project or any portion thereof under the terms of Section 6.5(a) or 6.6(a) hereof and the Proceeds therefore are insufficient to pay in full the Cost of such repair, restoration or replacement, the County shall complete the work and pay any Cost in excess of the amount of the Proceeds and the County agrees that, if by reason of any such insufficiency of the Proceeds the County shall make any payments pursuant to the provisions of this Section 6.7, the County shall not be entitled to any reimbursement therefrom from the Commission nor shall the County be entitled to any diminution or offset of the amounts payable under this Agreement.

SECTION 6.8. Net Lease. This Agreement shall be deemed to be and is construed to be a "net lease", and the County shall pay absolutely net during the Lease Term the Rentals and all other payments which are required to be made under the terms of this Agreement, free of all deductions, and without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

SECTION 6.9. Compliance With Laws. The parties to this Agreement agree to comply with all laws of the State applicable to the performance of this Agreement.

SECTION 6.10. Covenant of County as to Compliance With Federal Tax Matters. Upon the advice of Bond Counsel to the Commission, the County covenants that it will take all actions which are within its control that are necessary to assure that interest on the Series 2017-2 Bonds is excludable from gross income for Federal income tax purposes and the County covenants that it will refrain from taking any action that would cause the interest on the Series 2017-2 Bonds to be includable in gross income under the provisions of the Code. The County specifically covenants as to the following:

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(a) Not more than ten percent (10%) of the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds used to finance the Improvement Project Allocable Portion (i) will be used for any private business use, and (ii) will be directly or indirectly (1) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (2) derived from payments in respect of property, or borrowed money, used or to be used for a private business use. If the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds are to be used for any private business use which is not related or is disproportionate to the governmental use of the proceeds pursuant to Section 141(b)(3) of the Code, not more than five percent (5%) of the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds used to finance the Improvement Project Allocable Portion are to be used for any private business use and not more than five percent (5%) of the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds used to finance the Improvement Project Allocable Portion are secured by any interest in property used or to be used for a private business or payments in respect of such property, or to be derived from payments in respect of property or borrowed money, used or to be used for a private business use. The County will not enter into any type of lease or management or service contract with respect to the Improvement Project unless it obtains an opinion of Bond Counsel that such agreement will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017-2 Bonds.

(b) The Improvement Project will be installed in a facility that is now owned and operated by the County, in which there is either no or *de minimis* non-public usage. The County covenants to so continue public ownership, operation and such public usage while the Series 2017-2 Bonds are Outstanding, unless Bond Counsel has opined that a proposed change in ownership, operation or usage will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017-2 Bonds.

(c) No part of the Improvement Project Allocable Portion of the proceeds of the Series 2017-2 Bonds used to finance the Improvement Project Allocable Portion will be used to replace other funds of the County that were to be used for the Improvement Project Allocable Portion and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Series 2017-2 Bonds.

(d) The County hereby covenants to comply with the arbitrage requirements of Section 148 of the Code and the rebate requirements imposed by Section 148(f) of the Code. To the extent any rebate must be paid with respect to the Improvement Project Allocable Portion of the Series 2017-2 Bonds, the County will promptly pay the amount due upon request of the Commission.

(e) Except as indicated herein, the County does not anticipate that it or any other party will pledge any other investments or establish or create any other fund which will be security for the Improvement Project Allocable Portion of the Series 2017-2 Bonds.

(f) The County has not been notified of any publication by the Internal Revenue Service listing it as an issuer whose certification as to expectations may not be relied upon with respect to its obligations.

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(g) The County shall immediately notify the Commission of any failure to comply with the foregoing covenants.

SECTION 6.11. Representations and Warranties of County. The County represents and warrants as follows:

(a) It is a public body corporate and politic duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its governing body, it has duly authorized the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement and compliance with the provisions hereof will not conflict with or constitute on the part of the County a violation of, breach of or default under any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the County is bound or, to the knowledge of the County, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the County or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the consummation of the transactions contemplated hereby have been obtained.

(c) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2017-2 Bonds, there is no action, suit, proceeding or investigation at law or in equity pending against the County by or before any court or public agency or, to the knowledge of the County, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby, or which in any way would adversely affect the validity of this Agreement, or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) To its knowledge, no legislation has been enacted which in any way adversely affects the execution and delivery of this Agreement by the County, or the creation, organization or existence of the County or the titles to office of any officials thereof, or the power of the County to carry out its obligations under this Agreement.

(e) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2017-2 Bonds, the County is not a party to any indenture, loan or credit agreement or any other agreement, resolution, contract, instrument, pension plan, pension trust, employee benefit or welfare plan, or subject to any restriction which may reasonably be expected to have an adverse effect on its properties, assets, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Agreement.

(f) It possesses either a leasehold interest in the Real Property for a period which is at least equal to the Real Property Lease Term or, alternatively, good and marketable title to the Real Property free and clear of all liens and encumbrances, except Permitted Encumbrances.

(g) It will, upon execution and delivery of this Agreement, deliver or cause to be delivered to the Commission an opinion of counsel to the County in substantially the form set forth in Exhibit D hereto.

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SECTION 6.12. County Budget and Notice of Appropriation for Lease Payments. (a) The County covenants that in each Fiscal Year of the Lease Term, it will include in its annual budget the Rentals which are due and payable or which will become due and payable during such Fiscal Year under the terms of this Agreement.

(b) By execution hereof, the County expressly acknowledges the Commission's right, but not its obligation, to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel the County to provide an appropriation for Lease Payments due under this Agreement.

(c) The County shall also notify the Trustee and the Commission of any change in the Fiscal Year of the County within ten (10) Business Days of the adoption of the authorization therefor by the governing body of the County.

SECTION 6.13. Third-Party Beneficiary. The County and the Commission by the execution hereof acknowledge that the covenants, representations and warranties set forth herein are for the benefit of the Trustee.

SECTION 6.14. Continuing Disclosure. In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2017C-2 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, and (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

## ARTICLE VII

### SPECIAL COVENANTS

SECTION 7.1. County's Right to Possession. Except as otherwise provided herein, the County shall be entitled to sole possession of the Improvement Project during the Lease Term.

SECTION 7.2. Quiet Enjoyment. The Commission covenants and agrees with the County that upon the County's payment of the Rentals and the other payments which are required to be made under the terms of this Agreement and observing and performing all the terms, covenants, and conditions to be observed and performed by the County, the County may peaceably and quietly have, hold and enjoy the Improvement Project.

SECTION 7.3. Compliance With Laws and Regulations. The County will, at its own cost and expense, promptly comply with all laws, rules, regulations and other governmental requirements, including, without limitation, any of the foregoing pertaining to the environment, whether or not the same require structural repairs or alterations, which may be applicable to the County and the Improvement Project or the use or manner of use of the Improvement Project.

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The County will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Improvement Project.

**SECTION 7.4. Covenant Against Waste.** The County covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Improvement Project.

**SECTION 7.5. Right of Inspection.** The County covenants and agrees to permit the Commission and the authorized agents and representatives of the Commission to enter the Improvement Project at all times during usual business hours upon reasonable notice for the purpose of inspecting the same.

**SECTION 7.6. Condition of Premises.** Upon the availability of any part of the Improvement Project for use by the County, the County shall become familiar with the physical condition of the Improvement Project or relevant part thereof. The Commission makes no representations whatsoever in connection with the condition of the Improvement Project, and the Commission shall not be liable for any defects therein.

**SECTION 7.7. Assignment and Sale by the County.** The County will not, except with the prior written consent of the Commission, sell, sublease or otherwise dispose of or encumber its interest in the Improvement Project, except for Permitted Encumbrances. This Agreement may be assigned in whole or in part by the County upon the prior written consent of the Commission (which consent shall not be unreasonably withheld) but no assignment shall relieve the County from satisfying any of its obligations hereunder, and in the event of any such assignment, the County shall continue to remain primarily liable for the payments specified in this Agreement and for performance and observance of the other agreements provided herein.

**SECTION 7.8. Cooperation by the County.** The County, by written notice signed by an Authorized County Representative, shall keep the Commission informed of anticipated needs for money to pay the Cost of the Improvement Project and the County shall give the Commission its full cooperation and assistance in all matters relating to financing of the design, acquisition, construction and installation of the Improvement Project.

The County agrees that, whenever requested by the Commission, it shall provide and certify, in form satisfactory to the Commission, such information concerning the County and the Improvement Project, the operations and finances of the County and such other matters that the Commission considers to be necessary in order to enable it to complete and publish the Official Statement or other similar disclosure document relating to the sale of the Series 2017-2 Bonds or to enable the Commission to make any reports which are required by any law or governmental regulations in connection with the Series 2017-2 Bonds.

**SECTION 7.9. Liens.** During the Lease Term, the County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Improvement Project, and the respective rights of the Commission and the County as herein provided, except for Permitted Encumbrances. The County shall reimburse the Commission for any reasonable expense incurred by the Commission in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, except for Permitted Encumbrances.

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(a) The Commission may re-enter and take possession of the Improvement Project without terminating this Agreement, and may sublease the Improvement Project for the account of the County, holding the County liable for the difference, if any, in the Rent and other amounts which are payable by the sublessee and the Rentals and other amounts which are due and payable by the County to the Authority under the terms of this Agreement.

(b) The Commission may accelerate the Rental Payments owed by the County for the Improvement Project, holding the County liable for all Rentals and other amounts due to the Commission under the terms of this Agreement.

(c) To the extent the same may be permitted by State law, the Commission may terminate the Lease Term, exclude the County from possession of the Improvement Project and sell the Improvement Project (to the extent possible), holding the County liable for payment of all Rentals and other amounts which are due under the terms of this Agreement and which are not paid from the proceeds derived from such sale.

(d) The Commission may take whatever action at law or in equity may appear to be necessary or desirable in order to collect the payments which are then due and payable and thereafter to become due and payable, or to enforce performance and observance of any obligation, agreement or covenant of the County under the terms of this Agreement.

Any amounts which are collected pursuant to action taken under this Section 8.2 shall be applied in accordance with the provisions of the Resolution. If the Resolution has been discharged and all costs of the Commission, if any, shall have been paid, any remaining amounts collected pursuant to actions taken under paragraph (c) of this Section 8.2 shall be paid to the County by the Trustee.

**SECTION 8.3. Reinstatement.** Notwithstanding the provisions of Section 8.2 hereof if, after the acceleration of the Rental Payments upon occurrence of an Event of Default, all arrears of interest on such overdue Rental Payments and the Rental Payments which have become due and payable otherwise than by acceleration, and all other sums payable under this Agreement, except Rental Payments due and payable as a result of acceleration, shall have been paid by or for the account of the County or provision satisfactory to the Trustee shall have been made, all other things shall have been performed in respect of which there was a Default or provision deemed by the Trustee to be adequate shall be made therefor and there shall have been paid the reasonable fees and expenses, including Additional Rent and the Improvement Project Allocable Portion of the Commission Administrative Expenses (including reasonable attorneys' fees paid or incurred), if any, and such acceleration under this Agreement is rescinded, the Trustee shall waive the County's Default without further action by the Commission and the Commission and the Trustee shall be restored to their former positions and rights under the Resolution. Upon such payment and waiver, this Agreement shall be fully reinstated as if it had never been accelerated. No such restoration of the Commission and the Trustee shall extend to or affect any subsequent Default under the Resolution or impair any right consequent or incidental thereto.

**SECTION 8.4. Payment Deficiencies.** If an Event of Default referred to in Section 8.1(a) hereof shall have happened and be continuing and there remains outstanding Basic Rent payments which have not been paid to the Trustee pursuant to the terms of this Agreement (which determination shall be made by the Trustee as at the close of business on any Lease Payment Date), the Trustee, on behalf of the Commission, shall notify the County and the

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## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**SECTION 8.1. Events of Default.** An "Event of Default" or a "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the County to pay or cause to be paid when due the payments which are required to be made under the provisions of Section 5.1(a) hereof;

(b) Failure by the County to pay or cause to be paid when due any payments which are required to be made under the provisions of this Agreement (other than payments required to be made under Section 5.1(a) hereof and in Section 6.14 hereof), which failure shall continue for a period of thirty (30) days after written notice thereof, specifying such failure and requesting that it be remedied, is given to the County by the Commission or the Trustee;

(c) Failure by the County to observe and perform any covenant, condition or agreement which is required to be observed or performed by it (other than as referred to in subsections (a) and (b) of this Section 8.1 and in Section 6.14 hereof), which failure shall continue for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the County by the Commission or the Trustee, unless the notifying party shall agree in writing to an extension of such time prior to its expiration; *provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and is diligently pursued until the default is remedied;*

(d) The filing of a petition by or against the County under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Agreement or thereafter enacted, unless in the case of any such petition filed against the County, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property or assets shall be appointed by court order or take possession of the County or its property or assets if such order remains in effect or if such possession continues for more than thirty (30) days; or

(e) Any sale of all or a portion of the Improvement Project or termination of the Lease Term provided the County has not elected to terminate this Agreement pursuant to the provisions of Section 5.7 hereof.

**SECTION 8.2. Remedies.** Whenever any Event of Default referred to in Section 8.1 hereof shall have occurred and shall be continuing, any one or more of the following remedial steps may be taken, provided that, where applicable, prior written notice of the Default has been given to the County by the Commission or by the Trustee and the Default has not been cured:

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Commission, in writing not later than 3:00 p.m. on such Lease Payment Date, of the failure of the County to pay its Basic Rent on the Lease Payment Date, which notice shall state the amount of any such deficiency, the date by which the deficiency must be cured by the County (which date shall not be later than the Bond Payment Date). Notwithstanding the above, the Commission and the Trustee shall undertake all diligent efforts to pursue the County and cause it to pay all amounts due and owing to the Commission under this Agreement prior to any Bond Payment Date.

**SECTION 8.5. No Remedy Exclusive.** No remedy conferred herein upon or reserved to the Commission or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default hereunder shall impair any such right or power or shall be construed to be a waiver hereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Commission or the Trustee to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

**SECTION 8.6. No Additional Waiver Implied by One Waiver.** In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## ARTICLE IX

### MISCELLANEOUS

**SECTION 9.1. Surrender of Possession.** Except as otherwise expressly provided in this Agreement, upon the termination of the Lease Term as a result of the occurrence of an Event of Default under the terms of Article VIII hereof, the County hereby agrees to surrender possession of the Improvement Project peacefully and promptly to the Commission in the same or better condition as existed at the commencement of the Lease Term, except for loss by fire or other casualty covered by insurance in the manner and as provided in Article VI hereof, and except for condemnation and ordinary wear, tear and obsolescence.

**SECTION 9.2. Successors and Assigns.** This Agreement shall inure to the benefit of the County, the Commission, the Trustee and their respective successors and assigns and shall be binding upon the County and the Commission and their respective successors and assigns subject, however, to the provisions of Section 7.7 hereof.

**SECTION 9.3. Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 9.4. Amendments.** (a) This Agreement may be amended upon the written consent of the County and the Commission; *provided, however, that, except as provided below,*

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no such amendment shall be effective without a Counsel's Opinion (as defined in the Resolution) if, in the judgment of the Trustee, such amendment adversely affects the rights of the Holders of the Series 2017-2 Bonds which are Outstanding at the time of such amendment.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

(b) Notwithstanding anything herein to the contrary, this Agreement may be amended under all circumstances to provide for a change in the description of the Improvements and location of the Real Property as set forth in Exhibit A to this Agreement and the Basic Rent Payment Schedule for the Series 2017-2 Bonds as set forth in Exhibit B to this Agreement.

SECTION 9.5. Amounts Remaining Under Resolution. It is agreed by the parties hereto that upon the expiration or sooner termination of the Lease Term, as provided in this Agreement, after payment in full of the Improvement Project Allocable Portion of the Outstanding Series 2017-2 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Resolution) and all Rental Payments due hereunder and the fees, charges and expenses of the Fiduciaries and the Commission in accordance with the provisions of the Resolution and this Agreement, any amounts which are remaining in any Improvement Project Account of any Fund created under the terms of the Resolution shall belong to, and shall be paid by the Commission (after receipt from the Trustee) to, the County.

SECTION 9.6. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.7. Notices. All notices, demands or other communications provided for in this Agreement shall be in writing and shall be delivered personally, by facsimile transmission (with written confirmation of receipt) in accordance herewith and sent by certified or registered mail, personal delivery or recognized overnight delivery to: (i) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065, Attn: Executive Director; (ii) the Trustee at TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034, Attn: Corporate Trust Services; and (iii) the County at 49 Rancocas Road, Mount Holly, New Jersey 08060, Attn: County Treasurer, or to such other representatives or addresses as the Commission, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

SECTION 9.8. Headings. The Article and Section headings in this Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 9.9. Non-Waiver. It is understood and agreed that nothing contained in this Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Agreement.

SECTION 9.10. Survival of Agreement. Notwithstanding anything herein to the contrary, the provisions of Sections 5.2 (to the extent permitted by State law), 6.4 and 6.10 hereof shall survive the expiration of the Lease Term and the final maturity of the Series 2017-2 Bonds.

SECTION 9.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative as its duly authorized officer and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY  
BRIDGE COMMISSION

By: [Signature] Secretary  
By: [Signature] Authorized Commission Representative  
[SEAL]

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_ Clerk of the Board of Chosen  
Freeholders  
By: \_\_\_\_\_ Authorized County Representative  
[SEAL]

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative as its duly authorized officer and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_ Secretary  
By: \_\_\_\_\_ Authorized Commission Representative  
[SEAL]

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: [Signature] Clerk of the Board of Chosen  
Freeholders  
By: [Signature] Authorized County Representative  
[SEAL]

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$8,000,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2017C-2  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE

Lease Payment Date	Basic Rent Principal Amount	Coupon Amount	Basic Rent Interest Amount	Basic Rent Total Amount	2017 C-2 Debt Service Funds on Deposit	Net Interest Amount	Basic Rent Total Annual Amount
12/12/2018	3,672,000.00	2.80%	91,545.00	3,763,545.00	(8,993.46)	82,551.54	3,754,551.54

BURLINGTON COUNTY BRIDGE COMMISSION  
 \$8,000,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM), SERIES 2017C-2  
 Exhibit B - Improvement Lease (2017 Lease Ordinance)

Participant:	County of Burlington	2017C-2 Acquisition Cost
Improvement		
2017-2 Lease Notes - Project Fund Buildings and Grounds Engineering		\$ 2,300,000.00 1,372,000.00 3,672,000.00
Sub-Total:		\$ 3,672,000.00
Total Improvement Project Funds:		\$ 3,672,000.00

Requisition Ref. No. 2017-2-\_\_\_\_\_

EXHIBIT C  
 REQUISITION FOR PAYMENTS FROM IMPROVEMENT PROJECT  
 ACCOUNT OF THE PROJECT FUND  
 REQUISITION

I, the undersigned Authorized County Representative of the County of Burlington, New Jersey (the "County") DO HEREBY CERTIFY pursuant to and in accordance with the terms of a resolution of the Burlington County Bridge Commission (the "Commission") duly adopted on September 18, 2017, entitled "Resolution of The Burlington County Bridge Commission Authorizing the Issuance of General Obligation Lease Revenue Bonds (2017-2 County Leasing Program), Series 2017", as amended, restated, modified and supplemented from time to time (the "Resolution") as follows (capitalized terms shall have the meaning set forth in the Improvement Lease and Agreement between the Commission and the County dated \_\_\_\_\_, 2017 (the "Agreement")):

A. Description of Request

1. The Trustee is hereby directed to make payment under this Requisition to the payee named in Schedule A attached hereto.

2. The amount to be disbursed under this Requisition is \$ \_\_\_\_\_.

B. County Representations

As required under the Resolution, I HEREBY CERTIFY as follows:

1. (Strike out either A or B, whichever does not apply.)

(A) \$ \_\_\_\_\_ of the moneys to be disbursed pursuant to this Requisition are to be used to pay for work done in performance of any construction contract.

(B) None of the moneys to be disbursed pursuant to this Requisition are to be used to pay for work done in performance of any construction contract.

2. If any of the moneys requisitioned by this Requisition from the Improvement Project Account of the Project Fund are for expenses that have been incurred by the County for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs of revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Improvement Project or payments that are to be made for labor and to contractors, builders and

materialmen in connection with such construction or payments that are to be made for restoration of property which has been damaged or destroyed in connection with construction of the Improvement Project, I have made an investigation as to such expenses and, to the best of my knowledge, each such obligation has been properly incurred by the County and, insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Improvement Project or that such materials, supplies or equipment were fabricated for the construction thereof.

3. Each obligation mentioned herein has been incurred by the County and is a proper charge against the Improvement Project Account of the Project Fund, is a proper Cost of the Improvement Project for which the Improvement Project Account of the Project Fund was established, is unpaid and has not been the basis of any previous Requisition.

4. As a condition of receiving any payments under this Requisition, the County represents that it has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of any of the amounts payable under this Requisition to any of the payees named in this Requisition, or if any lien, attachment or claim has been filed with or served upon the County, such lien, attachment or claim has been released or discharged.

5. The payments to be made pursuant to this Requisition do not include any items which represent payment on account of any retained percentages which the County is, as of the date hereof, entitled to retain.

6. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON,  
 NEW JERSEY

By: \_\_\_\_\_  
 Authorized County Representative  
 Name:  
 Title:

Dated:

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY  
 BRIDGE COMMISSION

By: \_\_\_\_\_  
 Authorized Commission Representative  
 Name:  
 Title:

Dated:

SCHEDULE A

Name:

Address:

Amount: \$

Funds to be Disbursed from

Improvement Project Account of the Project Fund

\$

Description of Product/Service:

EXHIBIT D

FORM OF OPINION OF GENERAL COUNSEL/  
BOND COUNSEL TO COUNTY

EXHIBIT E

CERTIFICATE AS TO AUTHORIZED  
COUNTY REPRESENTATIVE

I, \_\_\_\_\_, the duly elected and acting Director of the Board of Chosen Freeholders of the COUNTY OF BURLINGTON, NEW JERSEY (the "County"), a municipal corporation of the State of New Jersey, DO HEREBY CERTIFY that I am duly authorized under the Agreement (as hereinafter defined) to execute and deliver this Certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY as follows:

1. \_\_\_\_\_ is the Treasurer of the County.
2. \_\_\_\_\_ is the Administrator/Board Clerk of the County.
3. The following individual(s) have each been designated as Authorized County Representatives in accordance with the provisions of the Agreement and each are duly qualified, empowered and authorized so to act on behalf of the County and to deliver documents on behalf of the County.

Name

Signature

_____	_____
_____	_____

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in the Improvement Lease and Agreement dated \_\_\_\_\_, 2017 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_th day of \_\_\_\_\_, 2017.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Freeholder Director

FIFTH AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT

BETWEEN

BURLINGTON COUNTY BRIDGE COMMISSION

AND

THE COUNTY OF BURLINGTON, NEW JERSEY

DATED NOVEMBER \_\_, 2021

THIS FIFTH AMENDMENT TO THE EQUIPMENT LEASE AND AGREEMENT (the "Fifth Amendment"), dated November \_\_, 2021 by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

WITNESSETH:

WHEREAS, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Commission is authorized by the Act to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease same to governmental units, including the County; and

WHEREAS, the Commission and the County executed an Equipment Lease and Agreement dated December 13, 2017 (the "Original Equipment Lease") for the financing, with a portion of the proceeds of the Series 2017C-2 Notes (as hereinafter defined), of the acquisition of vehicles and various pieces of capital equipment and the leasing thereof to the County, all as more fully described in the County's 2017 Capital Budget and in Exhibit A to the Original Equipment Lease (collectively, the "Equipment"), which Equipment is leased by the Commission to the County (the "Equipment Project"); and

WHEREAS, the Commission financed a portion of the costs of the Equipment Project through the issuance of \$8,000,000 principal amount of Project Notes (Governmental Leasing Project), Series 2017-2 (the "Series 2017C-2 Notes"); and

WHEREAS, concurrent with the execution of the Original Equipment Lease, the Commission and the County executed an Improvement Lease and Agreement, dated December 13, 2017 (the "Original Improvement Lease"), for the financing, with a portion of the proceeds of the Series 2017C-2 Notes, of the construction of certain capital improvements and facilities (collectively, the "Improvements"), which Improvements are leased by the Commission to the County (the "Improvement Project"); and

WHEREAS, the Series 2017C-2 Notes matured on December 12, 2018; and

WHEREAS, at the direction of the County, the Commission issued \$18,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2018 (the "Series 2018C-2 Notes") to refinance the maturing principal of the Series 2017C-2 Notes and to finance

additional costs of (i) the Equipment Project all as more fully described in Exhibit A to this First Amendment and (ii) the Improvement Project all as more fully described in Exhibit A to the First Amendment to Improvement Lease and Agreement, dated November 29, 2018 (the "First Amendment to Improvement Lease"), between the Commission and the County; and

WHEREAS, in connection with the issuance of the Series 2018C-2 Notes, the Commission and the County amended certain provisions of (i) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2018C-2 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2018C-2 Notes allocated to the Improvement Project; and

WHEREAS, the Series 2018C-2 Notes matured on November 28, 2019; and

WHEREAS, at the direction of the County, the Commission issued its \$55,000,000 principal amount of Project Notes (Governmental Leasing Program), Series 2019 (the "Series 2019C-2 Notes") to refinance the maturing principal of the Series 2018C-2 Notes and to finance additional costs of (i) the Equipment Project all as more fully described in Exhibit A to the Second Amendment and (ii) the Improvement Project all as more fully described in Exhibit A to the Second Amendment to Improvement Lease and Agreement, dated November 21, 2019 (the "Second Amendment to Improvement Lease"), between the Commission and the County; and

WHEREAS, in connection with the issuance of the Series 2019C-2 Notes, the Commission and the County desire to amend certain provisions of (i) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2019C-2 Notes allocated to the Equipment Project and (ii) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2019C-2 Notes allocated to the Improvement Project; and

WHEREAS, the Series 2019C-2 Notes mature on November 20, 2020; and

WHEREAS, at the direction of the County, the Commission issued \$43,340,000 principal amount of Project Notes (Governmental Leasing Program), Series 2020C-2 (the "Series 2020C-2 Notes") for the purpose of: (i) refunding a portion of the Commission's 2019C-2 at maturity, with the remainder of the outstanding 2019C-2 Notes will be refunded by the Commission's \$14,430,000 Lease Revenue Bonds, (2017-2 Governmental Leasing Program), Series 2020C-2; (ii) temporarily financing \$7,000,000 of additional costs associated with the 2017 County Capital Program Improvements and Equipment; and (iii) paying costs and expenses associated with the issuance of the 2020C-2 Notes; and

WHEREAS, in connection with the issuance of the Series 2020C-2 Notes, the Commission and the County further amended certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the delineated projects and engineering work associated with the Improvement Project and the payment by the County of the Basic Rent for the Series 2019C-2 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2019C-2 Notes allocated to the Equipment Project; and

WHEREAS, the Series 2020C-2 Notes mature on November 11, 2021; and

WHEREAS, at the direction of the County, the Commission is issuing \$\_\_\_\_\_ principal amount of Project Notes (Governmental Leasing Program), Series 2021 (the "Series 2021C-2 Notes") to refinance the maturing principal of the Series 2020C-2 Notes and to finance paying costs and expenses associated with the issuance of the 2021C-2 Notes; and

WHEREAS, in connection with the issuance of the Series 2021C-2 Notes, the Commission and the County desire to amend certain provisions of (i) the Original Improvement Lease and Exhibits A and B of the Original Improvement Lease to provide for the amendment of the Improvement Project to include additional funds to complete the Improvement Project and the payment by the County of the Basic Rent for the Series 2021C-2 Notes allocated to the Improvement Project and (ii) the Original Equipment Lease and Exhibits A and B of the Original Equipment Lease to provide for the amendment of the Equipment Project to include additional funds to complete the Equipment Project and the payment by the County of the Basic Rent for the Series 2021C-2 Notes allocated to the Equipment Project; and

WHEREAS, all actions necessary and required under the Act for the due execution, delivery and performance of this Second Amendment have been taken by the Commission and the County.

NOW, THEREFORE, the parties hereto mutually agree as follows:

Section 1. Amendment to Section 1.1. The following definitions set forth in the Original Equipment Lease are hereby deleted in their entirety and replaced by the following:

"Agreement" shall mean, collectively, the Equipment Lease and Agreement, dated December 13, 2017, by and between the Commission and the County, as amended by the First Amendment to the Equipment Lease and Agreement, dated November 29, 2018, as further amended by the Second Amendment to the Equipment Lease and Agreement, dated November 21, 2019, as further amended by the Third Amendment to the Equipment Lease and Agreement, dated November 12, 2020, as further amended by the Fourth Amendment to the Equipment Lease and Agreement, dated November 12, 2020, as further amended by the Fifth Amendment to the Equipment Lease and Agreement, dated November \_\_, 2021 and any and all further



modifications, alterations, amendments and supplements thereto which are made in accordance with the provisions thereof and the provisions of the Resolution (as defined in the Agreement).

"Equipment Project Allocable Portion" shall mean the \_\_\_\_\_% of the par amount of the Series 2017-2 Bond (as defined in the Resolution) issued as the Series 2017-2 Notes.

"Initial Commission Financing Fee" shall mean, for the issuance of the Series 2017-2 Notes, a fee of \$ \_\_\_\_\_. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \_\_\_\_\_.

"Lease Payment Date" shall mean with respect to the Series 2017-2 Bonds issued as the Series 2017-2 Notes, a date determined in accordance herewith as may be set forth in the Series Certificate executed by the Executive Director of the Commission in connection with the sale of the Series 2017-2 Notes, which date shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Series 2017-2 Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

**Section 2. Additional Definitions.** Section 1.1 of the Original Equipment Lease shall be amended to include the following:

"Fifth Amendment" shall mean this Fifth Amendment to the Equipment Lease and Agreement, dated November \_\_, 2021.

"Series 2017-2 Notes" shall mean the Commission's Lease Revenue Notes (Governmental Leasing Program), Series 2017-2 authorized and issued on November \_\_, 2021 in the aggregate principal amount of \$ \_\_\_\_\_ pursuant to Section 203 of the Resolution and references in the Original Equipment Lease to the "Series 2017-2 Bonds" shall include the Series 2017-2 Notes.

**Section 3. Amendment to Section 4.5(a).** Section 4.5 (a) is amended as follows:

"SECTION 4.5. Application of Series 2017-2 Bond Proceeds and Other Funds. (a) (1) Upon original issuance of the Series 2017-2 Bonds as Series 2017-2 Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, including the Equipment Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Equipment Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$4,328,000.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the initial Costs of the Equipment Project.

(2) Upon original issuance of the Series 2017-2 Bonds as Series 2018C-2 Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied

as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, including the Equipment Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Equipment Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$4,341,000.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project."

(3) Upon original issuance of the Series 2017-2 Bonds as Series 2020C-2 Bonds, the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, including the Equipment Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Equipment Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$26,647,000.00 for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project."

(4) Upon original issuance of the Series 2017-2 Bonds as Series 2020C-2 Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, including the Equipment Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Equipment Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution, and (iii) the amount of \$ \_\_\_\_\_ for deposit in the Equipment Project Account of the Project Fund to be used to pay the additional Costs of the Equipment Project."

(5) Upon original issuance of the Series 2017-2 Bonds as Series 2017C-2 Notes, the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds shall be applied as follows: to the Trustee (i) an amount equal to the accrued interest on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund, (ii) the amount representing costs of issuance on the Equipment Project Allocable Portion of the Series 2017-2 Bonds, including the Equipment Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Equipment Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution."

**Section 4. References to Official Statement.** References to the term "Official Statement" in Sections 3.2 and 5.11 of the Original Equipment Lease shall include the "Official Statement" for the Series 2017-2 Notes, dated November \_\_, 2021.

**Section 5. Continuing Disclosure.** A new subsection (f) to Section 6.14 of the Original Equipment Lease is hereby added to read as follows:

"(f) In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, dated November \_\_, 2021, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2020C-2 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material, (iv) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the 2019A Bonds or the 2019B Notes, if material; and (v) default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the County, any of which reflect financial difficulties and where "Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule 15c(2)-12 promulgated and adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 6. Amendment to Exhibit A.** Exhibit A of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit A attached to this Fifth Amendment, provided however that the Exhibit A set forth in the Third Amendment to the Equipment Lease shall remain in full force and effect, and all references in the Original Equipment Lease to Exhibit A shall be references to Exhibit A attached hereto.

**Section 7. Amendment to Exhibit B.** Exhibit B of the Original Equipment Lease is hereby deleted in its entirety and replaced by Exhibit B attached to this Fifth Amendment, provided however that the Exhibit B set forth in the Third Amendment to the Equipment Lease shall remain in full force and effect provided however that the Exhibit A set forth in the Third Amendment to the Equipment Lease shall remain in full force and effect and all references in the Original Equipment Lease to Exhibit B shall be references to Exhibit B attached hereto.

**Section 8. Full Force and Effect.** The Original Equipment Lease is hereby amended to the extent provided in this Third Amendment and, except as specifically provided herein, the Original Equipment Lease shall remain in full force and effect in accordance with its terms.

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IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by an Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by an Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_  
Secretary Authorized Commission Representative

Attest: COUNTY OF BURLINGTON,  
NEW JERSEY

By: \_\_\_\_\_  
Clerk of the Board of Chosen Freeholders Authorized County Representative

EXHIBIT A  
AMENDED AND RESTATED DESCRIPTION  
OF EQUIPMENT PROJECT

EXHIBIT B  
AMENDED AND RESTATED BASIC  
RENT PAYMENT SCHEDULE

EQUIPMENT LEASE AND AGREEMENT  
 BETWEEN  
 BURLINGTON COUNTY BRIDGE COMMISSION  
 AND  
 COUNTY OF BURLINGTON, NEW JERSEY  
 DATED DECEMBER 13, 2017

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EXHIBIT G	CERTIFICATE FOR SUBSTITUTION OF EQUIPMENT
EXHIBIT H	FORM OF OPINION OF GENERAL COUNSEL OR BOND COUNSEL TO THE COUNTY

THIS EQUIPMENT LEASE AND AGREEMENT (the "Agreement"), dated December 13, 2017, by and between the Burlington County Bridge Commission (hereinafter referred to as the "Commission") and the County of Burlington, New Jersey (hereinafter referred to as the "County").

**WITNESSETH:**

WHEREAS, the Commission has been duly created by resolution of the Board of Chosen Freeholders of the County, duly adopted October 22, 1948, as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Commission is authorized by the Act to provide within the County public facilities for use by the State, the County or any municipality in the County, or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Commission is authorized by the Act to lease to any governmental unit or Person, all or any part of any public facility, including but not limited to capital equipment, for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and agree upon; and

WHEREAS, at the request of the County, the Commission has determined to temporarily finance the costs of, *inter alia*, a project (the "Equipment Project") consisting of the acquisition of vehicles and various pieces of capital equipment and the leasing thereof to the County, all as more fully described in the County's 2017 Capital Budget and in Exhibit B to this Agreement (collectively, the "Equipment"), with a portion of the proceeds of its Lease Revenue Notes (Governmental Leasing Program), Series 2017 in the aggregate principal amount of \$8,000,000 (the "Series 2017C-2 Notes"); and

WHEREAS, the Equipment will be acquired by the Commission, at the direction of the County, and leased by the Commission to the County pursuant to the terms hereof for so long as the Equipment Project Allocable Portion of the Series 2017-2 Bonds remain Outstanding (as such term is defined in the hereinafter defined Resolution); and

WHEREAS, the Commission has, by a resolution entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2017 County Leasing Program), Series 2017", duly adopted September 18, 2017, as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof (the "Resolution"), authorized the issuance of, *inter alia*, Lease Revenue Bonds or Notes, including the Series 2017C-2 Notes, from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Equipment; and

WHEREAS, the principal portion of the Series 2017-2 Bonds (as hereinafter defined) initially issued as Series 2017C-2A Notes allocable to the Equipment Project is \$4,328,000 (the "Equipment Project Allocable Portion"); and

WHEREAS, all actions necessary and required under the Act for the due execution, delivery and performance of this Agreement have been taken by the Commission and the County; and

WHEREAS, the County has determined to lease the Equipment Project from the Commission pursuant to the terms and conditions set forth herein; and

WHEREAS, the Commission will, pursuant to and in accordance with the terms of the Act, provide for the payment of the costs of, *inter alia*, the Equipment Project through the issuance of the Series 2017-2 Bonds and the Debt Service (as hereinafter defined) on the Series 2017-2 Bonds shall be payable in part from Rentals (as hereinafter defined) representing the Equipment Project Allocable Portion to be received from the County pursuant to the terms and conditions set forth herein; and

WHEREAS, the Commission and the County agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of this Agreement pursuant to the powers conferred by the Act.

NOW, THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.1. **Definitions.** The terms that are set forth in this Section shall, unless the context clearly requires otherwise, have the meanings which are set forth below. Terms that are used as defined terms herein but which are not defined herein shall have the meanings assigned to such terms in the Resolution (as hereinafter defined). Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"2017 Capital Plan" shall mean the capital budget approved by the County which identifies certain items of Equipment and capital improvements to be undertaken by or on behalf of the County with an aggregate value that does not exceed \$84,913,100, as same may be amended from time to time.

"Acceptance Certificate" shall mean a certificate substantially in the form set forth in Exhibit C annexed hereto and incorporated by this reference herein.

"Act" shall mean the Self-Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State (*N.J.S.A. 27:19-26, et seq.*), and the acts amendatory thereof and supplemental thereto.

"Additional Rent" shall mean all amounts payable by the County to the Commission pursuant to Section 3.1(b) hereof including, but not limited to, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, any amounts in excess of Basic Rent necessary to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2017-2 Bonds, all costs and expenses incurred in connection with any purchase of the Equipment

constituting the Equipment Project by the County prior to expiration of the Lease Term including reasonable attorneys' fees and verification fees, and all direct and indirect costs and expenses incurred by the Commission and the Trustee related to the enforcement of this Agreement, including reasonable attorneys' fees related thereto.

"Aggregate Debt Service Obligation" shall have the meaning assigned to such term in Section 3.7(b) hereof.

"Agreement" shall mean this Equipment Lease and Agreement, dated December 13, 2017, by and between the Commission and the County and any and all modifications, alterations, amendments and supplements hereto which are made in accordance with the provisions hereof and the provisions of the Resolution.

"Authorized Commission Representative" shall mean the Chairman, Vice Chairman, Treasurer, Executive Director or any other Person or Persons authorized to act on behalf of the Commission by a written certificate signed on behalf of the Commission by the Chairman or Vice Chairman of the Commission containing the specimen signature of each such Person.

"Authorized County Representative" shall mean any Person or Persons authorized to act on behalf of the County by a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of Chosen Freeholders, the County Treasurer or the County Chief Financial Officer and containing the specimen signature of each such Person, which form of certificate is set forth as Exhibit F annexed hereto and incorporated by this reference herein.

"Authorizing Instrument" shall mean Ordinance No. 2017-00202 duly adopted by the Board of Chosen Freeholders of the County on May 10, 2017 approving and authorizing the execution and delivery of, *inter alia*, this Agreement.

"Basic Rent" shall mean (i) the sum of money representing principal and interest necessary to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2017-2 Bonds, payable by the County on each Lease Payment Date, as set forth in Exhibit A annexed hereto (as same may be amended in connection with the issuance by the Commission of an additional Series of Series 2017-2 Bonds, if any) and incorporated by this reference herein and as described in Section 3.1(a) hereof, and (ii) the sum of money required to pay the Equipment Project Allocable Portion of the Redemption Price (as defined in the Resolution), if any, to the extent required to redeem the Series 2017-2 Bonds pursuant to Article IV of the Resolution.

"Bond Counsel" shall mean such lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Commission.

"Bonds" shall mean the Outstanding Series 2017-2 Bonds of the Commission authorized and issued pursuant to Article II of the Resolution, including the Series 2017C-2 Notes.

"Business Day" shall mean any day that is not a Saturday, Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Registrar, any Paying Agent, the Commission or the County is legally authorized to close.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

"Commission" shall mean the Burlington County Bridge Commission, a public body corporate and politic of the State organized and existing under the Act and created pursuant to a resolution of the Board of Chosen Freeholders of the County adopted on October 22, 1948, and any successor to its duties and functions.

"Commission Administrative Expenses" shall mean the Equipment Project Allocable Portion of any and all expenses of the Commission and its agents, professionals and employees incurred or to be incurred by or on behalf of the Commission in the administration of its responsibilities under the Resolution and this Agreement including, but not limited to, (i) the Initial Commission Financing Fee, (ii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of the Series 2017-2 Bonds, the financing of the Equipment Project or the compelling of the full and punctual performance of the Resolution and this Agreement in accordance with the terms thereof and hereof, and (iii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Registrar, the Trustee or any other Fiduciaries and their counsel in connection with the performance of their respective fiduciary responsibilities under the Resolution and this Agreement, all to the extent not capitalized pursuant to the requirements of the Resolution, which Equipment Project Allocable Portion of the Commission Administrative Expenses shall be paid as Additional Rent by the County.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement among the Commission, and the Trustee, acting as dissemination agent, dated December 13, 2017, as the same may be amended or supplemented from time to time.

"Cost" or "Costs" shall mean and be deemed to include, with respect to any Item of Equipment, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Agreement, (a) the cost of payment of, or reimbursement for, acquisition, installation and financing of each such Item of Equipment including, but not limited to, advances or progress payments, installation costs, administrative costs and capital expenditures relating to installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs; (b) the Equipment Project Allocable Portion of the fees and charges of the Trustee pursuant to the Resolution, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Commission Financing Fee for the Series 2017-2 Bonds, all professional and consulting fees and charges of the Commission and the County, costs of rating agencies, bond insurance, fees for the printing, execution, transportation and safekeeping of the Series 2017-2 Bonds, and any charges and fees in connection with any of the foregoing; (c) all other costs which the County or the Commission shall be required to pay under the terms of any contract or contracts for the acquisition and installation of any Item of Equipment constituting the Equipment Project including, but not limited to, the cost of insurance; (d) any sums required to reimburse the County for advances made for any of the above items, or for any other costs which are properly incurred and for work done, which is properly chargeable to any Item of Equipment; (e) the Equipment Project Allocable Portion of the deposits in any Fund or Account under the terms of the Resolution, all as shall be provided in

the Resolution; (f) the payment of Debt Service on the Notes; (g) the Equipment Project Allocable Portion of the Commission Administrative Expenses; and (h) such other expenses which are not specified herein as may be necessary or incidental to the acquisition and installation of any Item of Equipment, the financing thereof and the placing of the same in use and operation. "Cost" or "Costs", as defined herein, shall be deemed to include the Equipment Project Allocable Portion of the cost and expenses incurred by any agent of the Commission or the County with respect to any of the above-mentioned items.

"County" shall mean the County of Burlington, New Jersey, a public body corporate and politic of the State.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to the Equipment Project Allocable Portion of the Series 2017-2 Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Equipment Project Allocable Portion of the Series 2017-2 Bonds except to the extent such interest is to be paid from deposits made from Series B Bond proceeds into the Equipment Project Account of the Debt Service Fund, if any, and (ii) the amount that is required to pay the Principal Amount due on such Equipment Project Allocable Portion of the Series 2017-2 Bonds during such period. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Debt Service Fund" shall mean the Debt Service Fund created and established in Section 502(5) of the Resolution.

"Debt Service Requirement" with respect to any Bond Payment Date for the Series 2017-2 Bonds shall mean, interest accrued and unpaid and to accrue to such date plus the Principal Amount due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and 360-day year.

"Default" or "Event of Default" shall mean one or more of the events of default as defined in Section 7.1 hereof but not under the Resolution.

"Equipment" or "Item(s) of Equipment" shall mean the capital equipment described in Exhibit B annexed hereto and incorporated by this reference herein to be purchased and acquired on behalf of the County with the proceeds of the Series 2017-2 Bonds, including the Series 2017C-2 Notes, and including any item of capital equipment appearing on Exhibit B as Exhibit B is amended, supplemented and restated from time to time in connection with any capital Equipment acquired by or on behalf of the County as permitted hereunder in substitution for, as a renewal or replacement of, or a modification or addition to, an Item of Equipment then described in Exhibit B.

"Equipment Project" shall mean the acquisition and installation of the Equipment permanently financed and/or refinanced with the proceeds of the Series 2017-2 Bonds, together with all necessary and incidental equipment, apparatus, structures and appurtenances necessary or desirable for the efficient operation of such Equipment, all as described in Exhibit B annexed hereto and incorporated by this reference herein.

"Equipment Project Account" shall mean the respective Accounts of the Project Fund, Revenue Fund, Operating Fund, Proceeds Fund, Debt Service Fund and Rebate Fund established pursuant to Article V of the Resolution.

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any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

"Proceeds Fund" shall mean the Proceeds Fund created and established under Section 502(4) of the Resolution.

"Project Fund" shall mean the Project Fund created and established pursuant to Section 502(1) of the Resolution.

"Purchase Option Price" shall have the meaning that is assigned to such term in Section 3.7(b) hereof.

"Rent", "Rental(s)" or "Rental Payment" shall mean the sum of Basic Rent and Additional Rent, which is payable by the County in connection with the lease of the Equipment constituting the Equipment Project pursuant to the terms of this Agreement.

"Resolution" shall mean the resolution duly adopted by the Commission on August 1, 2017, entitled, "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (2017 County Leasing Program), Series 2017", as the same may be amended, restated, modified or supplemented in accordance with the provisions thereof.

"Series 2017-2 Bonds" shall mean the Commission's Lease Revenue Bonds or Notes (as defined in the Resolution) issued from time to time pursuant to the terms of the Resolution to finance, *inter alia*, the Equipment.

"Series 2017C-2 Notes" shall mean the Commission's Lease Revenue Notes (2017 Governmental Leasing Program), Series 2017C-2 authorized and issued on December 13, 2017 in the aggregate principal amount of \$8,000,000 pursuant to Section 203 of the Resolution.

"State" shall mean the State of New Jersey or any successor to its duties and functions.

"Substitution Certificate" shall mean the certificate executed by an Authorized County Representative, pursuant to Section 8.1 of this Agreement, and substantially in the form set forth in Exhibit G annexed hereto and incorporated by this reference herein.

"Trustee" shall mean, with respect to the Series 2017-2 Bonds, TD Bank, National Association and its successors or assigns or any other bank, trust company or national banking association appointed trustee pursuant to the Resolution.

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"Equipment Project Allocable Portion" shall mean 16.1299% of the par amount of the Series 2017-2 Bonds.

"Favorable Opinion of Bond Counsel" shall mean an opinion of Bond Counsel, addressed to the Commission, the Trustee and the County, to the effect that the action proposed to be taken is authorized or permitted by the Resolution and the Act and will not adversely affect the exclusion of interest on the Series 2017-2 Bonds from gross income for purposes of Federal income taxation under Section 103 of the Code.

"Fiduciary" or "Fiduciaries" shall mean the Trustee, the Paying Agent, the Registrar, the dissemination agent under the Continuing Disclosure Agreement, if any, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean the twelve (12) month fiscal period of the County or the Commission, as applicable.

"Initial Commission Financing Fee" shall mean the initial financing fee of the Commission for the Series 2017-2 Bonds, which shall be in an amount equal to 0.08333% of the par amount of the Series 2017-2 Bonds. The Equipment Project Allocable Portion of the Initial Commission Financing Fee is \$3,606.52.

"Lease Payment" shall mean the Rental Payment consisting of Basic Rent payable on each Lease Payment Date and, as applicable, Additional Rent payable by the County upon demand pursuant to Section 3.1 hereof, respectively.

"Lease Payment Date" shall mean with respect to the Series 2017-2 Bonds issued as Series 2017C-2 Notes, December 12, 2018 or such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Series 2017-2 Bonds, if any, which dates shall not be later than thirty (30) days prior to each Interest Payment Date and Principal Installment Date (each as defined in the Resolution) for such Series of Refunding Bonds. In the event a Lease Payment Date is not a Business Day, the Lease Payment shall be made by the County on the next succeeding Business Day.

"Lease Term" shall mean the period during which this Agreement or the lease of any Item of Equipment, as the case may be, is in effect as specified in Section 2.2 hereof.

"Person" or "Persons" shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

"Principal Amount" shall mean, as of any date of calculation, and with respect to any Outstanding Series 2017-2 Bonds, the principal amount thereof.

"Proceeds" shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to any Item of Equipment, remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the County elects to provide self-insurance under Section 5.3 of this Agreement,

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## ARTICLE II

### LEASE OF EQUIPMENT; TERM OF LEASE; ACQUISITION OF EQUIPMENT

SECTION 2.1. Lease of Equipment. The Commission hereby agrees to lease to the County, and the County hereby agrees to take and hire from the Commission each Item of Equipment on the terms and conditions set forth in this Agreement for the purpose of financing the Equipment Project Allocable Portion of the Project.

SECTION 2.2. Term of Lease. Subject to the provisions of Section 9.10 hereof, the Lease Term for the Equipment shall commence on the date hereof and shall terminate on the first date upon which the Equipment Project Allocable Portion of the Series 2017-2 Bonds are no longer deemed to be Outstanding and all Rentals due and owing hereunder by the County shall have been paid in full, unless sooner terminated in accordance with the provisions of this Agreement for a reason other than the Default of the County of any obligation hereunder. The Lease Term for any Item of Equipment shall be deemed to commence on the date hereof and end on the respective dates specified in Exhibit B annexed hereto with respect to each such Item of Equipment.

### SECTION 2.3. Completion of Acquisition of Items of Equipment.

(a) The Commission agrees to acquire and install or cause the County to acquire and install each of the Items of Equipment specified in Exhibit B pursuant to the specifications prepared by or on behalf of the County. The Commission and the County agree that the County will be responsible for the letting of contracts for the purchase and installation of the Items of Equipment and for supervising the installation and acceptance of the Items of Equipment.

(b) Contracts to be let in connection with the purchase and installation of each Item of Equipment shall be let in accordance with all applicable State competitive bidding laws.

(c) Upon delivery of each Item of Equipment to the County, the County shall cause an Authorized County Representative to inspect the same and, either (i) if such Item of Equipment is found to be in good condition, to accept such Item of Equipment and to execute and deliver an Acceptance Certificate in the form set forth in Exhibit C attached hereto and the requisition in the form set forth in Exhibit E attached hereto for payment of such Item of Equipment required by the terms of the Resolution (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof) to the Commission within ten (10) Business Days of inspection, which Acceptance Certificate and related requisition for payment (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof) shall be forwarded to the Trustee for payment, or (ii) if the County, acting in good faith, should find that such Item of Equipment is not in good condition or in accordance with specifications therefor, the County shall return or direct the Commission to return the same to the manufacturer or supplier thereof. Upon presentation of an Acceptance Certificate and the requisition required by the terms of the Resolution (as approved by an Authorized Commission Representative pursuant to Section 2.5(b) hereof), the Trustee will pay the Cost of such Item of Equipment pursuant to the terms of the Resolution. In the event the County determines that an Item of Equipment is not in good condition or in accordance with specifications therefor and the County returns or directs the Commission to return an Item of Equipment to the manufacturer which was

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not delivered in good working order and substitute, replacement or additional Equipment is not procured in a timely manner such that an Acceptance Certificate and requisition for payment of the County are not submitted to the Commission for approval and forwarded to the Trustee for full payment on or before eighteen (18) months after the date of original issuance of the Series 2017-2 Bonds and in accordance with the time periods and percentages specified in Section 2.3(a) hereof such that the Series 2017-2 Bonds are not deemed to have been "spent" in accordance with the Code, the County shall pay to the Commission as Additional Rent the cost and expense of the performance of an arbitrage rebate calculation. The County shall also be required to pay arbitrage rebate moneys to the Commission in the event the County's failure to "spend" Series B Bond proceeds attributable to the Equipment Project, requires the Commission to rebate money to the Internal Revenue Service. The obligation of the County to pay the Commission the cost and expense of the performance of an arbitrage rebate calculation and arbitrage rebate moneys shall survive the expiration of the Lease Term and the final maturity of the Series 2017-2 Bonds.

(d) In the event the County fails to comply with the provisions regarding the eighteen (18) month rebate exception under the Code and the Series 2017-2 Bonds are subject to arbitrage rebate, all amounts to be rebated to the Internal Revenue Service by the Commission which are required hereunder to be paid by the County to the Commission as Additional Rent shall be the obligation of the County, whose failure to comply resulted in the Series 2017-2 Bonds being subject to arbitrage rebate. The obligation of the County to pay to the Commission arbitrage rebate moneys and the cost and expense of the performance of an arbitrage rebate calculation shall survive the expiration of the Lease Term for all Equipment and the final maturity of the Equipment Project Allocable Portion of the Series 2017-2 Bonds.

(e) Upon delivery of the Equipment to the County, the Commission shall hold title thereto during the Lease Term. At the time the County delivers the Acceptance Certificate and the requisition for payment to the Commission for approval, it shall also provide to the Commission all documents and certificates evidencing title to such Item of Equipment, which title shall be in the name of the Commission during the Lease Term pursuant to Section 6.1 hereof.

withheld), which requisition shall certify with respect to each payment to be made: (1) the requisition number, (2) the name and address of the Person, firm, corporation or agency to whom payment is due or has been made, (3) the amount to be paid, (4) the Item(s) of Equipment to which the requisition relates and (5) that each obligation, item of cost or expense mentioned therein has been properly incurred, is a Cost and is a proper charge against the Equipment Project Account of the Project Fund and has not been the subject of any previous withdrawal.

(c) In connection with the approval of requisitions by the Commission, nothing herein contained shall prevent the County, acting on behalf of and as agent for the Commission in connection with the acquisition and installation of the Equipment, from making all final determinations in connection with the interpretation and performance of any contracts for the acquisition and installation of the Equipment.

(d) The Commission agrees to cooperate with the County in furnishing to the Trustee any documents required to effect payments out of the Equipment Project Account of the Project Fund in accordance with this Section 2.5 and Section 2.4(d) hereof. Such payment obligation of the Commission is subject to any provisions of the Resolution requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the Equipment Project Account of the Project Fund available for payment under the terms of the Resolution.

(e) Pursuant to Sections 503(2)(d) and (e) of the Resolution, after the delivery and filing of an Acceptance Certificate for an Item of Equipment by the County to the Commission, and the Trustee, and to the extent Series B Bond proceeds remain in the Equipment Project Account of the Project Fund allocable to such Item of Equipment, and upon delivery to the Trustee of written instructions of an Authorized Commission Representative, an amount equal to the Equipment Project Allocable Portion of the Commission Administrative Expenses for the year shall be transferred by the Trustee and deposited in the Equipment Project Account of the Operating Fund. Any balance of Series B Bond proceeds remaining in the Equipment Project Account of the Project Fund allocable to such Item of Equipment, after application of such moneys in accordance with the preceding sentence, shall be applied to the additional Items of Equipment or transferred to the Equipment Project Account of the Debt Service Fund and applied by the Trustee as a credit toward the County's Basic Rent obligation on the next succeeding Lease Payment Date in accordance with Section 503 of the Resolution.

(f) All interest earned on any moneys or investments in the Equipment Project Accounts of each of the Project Fund, the Debt Service Fund and the Proceeds Fund shall be transferred by the Trustee to the Equipment Project Account of the Proceeds Fund and shall be applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with the provisions of Section 507(4) of the Resolution.

(g) Nothing herein shall be construed to prevent the Trustee from making advance, partial or progress payments from the Equipment Project Account of the Project Fund for application to the Cost of the Equipment in the event the County is acquiring Equipment under any contract requiring partial or progress payments. In such event, the County shall complete the requisition for advance, partial or progress payments set forth in Exhibit D which is attached hereto and incorporated by reference herein to requisition moneys for such partial payment, which requisition shall be delivered to the Commission and filed with the Trustee. The County

#### SECTION 2.4. Issuance of Series 2017-2 Bonds.

(a) In order to provide funds for, among other things, the payment of the Costs of the Equipment Project, the Commission will use its best efforts to issue, sell and deliver the Series 2017-2 Bonds.

(b) The County shall cooperate with the Commission in furnishing to the Commission and the Trustee all documents required to effectuate the completion of the Equipment Project, including the execution and delivery of certificates, resolutions, opinions and disclosure materials necessary in connection therewith.

(c) In the event the County notifies the Commission and the Trustee that moneys in the Equipment Project Account of the Project Fund are not sufficient to purchase all of the Equipment, the County shall be obligated to pay the balance of the purchase price of the Equipment out of legally available funds therefor. In the event the County acquires an Item of Equipment with a purchase price greater than the moneys allocated to such Item of Equipment as indicated by Exhibit B or Exhibit G, if applicable, annexed hereto, the County shall pay the balance of such moneys to the Trustee for deposit in the Equipment Project Account of the Project Fund and the Trustee shall be directed by the Commission to pay the Cost of Equipment in accordance with the provisions of Section 2.5(b) hereof. In such event, the County shall not be entitled to any reimbursement from the Commission as a result of such payment.

(d) In the event the County pays to the Trustee sums needed to fund the balance of the Cost of the Equipment in accordance with the provisions of Section 2.4(c) hereof, the County shall complete Exhibit E (Paragraphs 6 and 7) attached hereto to reflect the amount of money forwarded by the County to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to make up the deficiency in such Cost of the Equipment.

#### SECTION 2.5. Application of Series B Bond Proceeds and Other Funds.

(a) Upon original issuance of the Series 2017-2 Bonds, the Equipment Project Allocable Portion of the Series 2017-2 Notes proceeds shall be applied as follows: to the Trustee (i) an amount equal to the Equipment Project Allocable Portion of the accrued interest on the Series 2017-2 Bonds, if any, for deposit in the Equipment Project Account of the Debt Service Fund; (ii) the amount representing the Equipment Project Allocable Portion of the costs of issuance on the Series 2017-2 Bonds, including the Equipment Project Allocable Portion of the Initial Commission Financing Fee, for deposit in the Equipment Project Account of the Operating Fund and paid in accordance with Section 506 of the Resolution; and (iii) the balance allocated shall deposited into the Equipment Project Account of the Project Fund and paid in accordance with Section 503 of the Resolution.

(b) The Commission has in the Resolution authorized and directed the Trustee to make payments from the Equipment Project Account of the Project Fund to pay the Costs of the Equipment Project upon receipt by the Commission and the Trustee of an Acceptance Certificate (in the form set forth in Exhibit C attached hereto) and a requisition (in the form set forth in Exhibit E attached hereto), each signed by an Authorized County Representative and approved by an Authorized Commission Representative (which approval shall not be unreasonably

shall also provide evidence satisfactory to the Commission and the Trustee of compliance with the requirements of Section 5.8 hereof. Notwithstanding the foregoing, the final requisition for a partial payment by the County shall be accompanied by an Acceptance Certificate pursuant to Section 2.5 hereof.

SECTION 2.6. County's Liability. As between the Commission and the County, the County assumes liability for all risks of loss during the acquisition, delivery, installation and use of each Item of Equipment. The County shall maintain, or shall demonstrate to the satisfaction of the Commission, that adequate self-insurance is provided with respect to each Item of Equipment, or require each manufacturer or supplier of each Item of Equipment to maintain, in force during the entire acquisition, delivery and installation period of each Item of Equipment, property damage insurance in an amount not less than the full value of all work done and materials and equipment provided or delivered by each such manufacturer or supplier, comprehensive liability insurance, worker's compensation insurance and other insurance required by law or customarily maintained with respect to like equipment. The existence of such insurance coverage shall be evidenced at the time the Item of Equipment is ordered by the County. Any damages or other moneys from any manufacturer or supplier of equipment or its surety paid to the County pursuant to this Section 2.6 shall be paid to the Trustee for deposit in the Equipment Project Account of the Project Fund (in accordance with written instructions) to the extent necessary to complete the acquisition of such Item of Equipment. Upon the delivery of a certificate of an Authorized County Representative to the Trustee, moneys from any manufacturer, supplier or surety not necessary to complete the acquisition of such Item of Equipment shall be transferred by the Trustee to the Equipment Project Account of the Proceeds Fund and applied as a credit toward the County's Basic Rent obligations on the next succeeding Lease Payment Date in accordance with Sections 503(2)(f) and 507(4) of the Resolution.

SECTION 2.7. Possession and Enjoyment. From and after the installation and acceptance by the County of each Item of Equipment in accordance with the terms of this Agreement, during the Lease Term of each Item of Equipment, the County shall have the quiet use and enjoyment of each Item of Equipment, and the County shall during the Lease Term peacefully and quietly have and hold and enjoy each Item of Equipment, without suit, trouble or hindrance from the Commission, except as expressly set forth in this Agreement. The Commission will, at the request of the County and at the County's cost, join in any legal action in which the County asserts a right to such possession and enjoyment to the extent the Commission lawfully may do so.

SECTION 2.8. Commission Access to Equipment. The County agrees that the Commission shall have the right, but not the obligation, during the County's normal working hours on the County's normal working days to examine and inspect each Item of Equipment for the purpose of assuring that each Item of Equipment is being properly maintained, preserved, and kept in good repair, working order and condition, except in the event of emergency (which shall be determined by the Commission), when such examination and inspection can be made by the Commission at any time. The County further agrees that the Commission shall have such rights of access to each Item of Equipment as may be reasonably necessary to cause the proper maintenance of each Item of Equipment in the event of failure by the County to perform its obligations hereunder.

SECTION 2.9. Disclaimer of Warranties. THE COMMISSION, BY DELIVERY OF THIS AGREEMENT, MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY ITEM OF EQUIPMENT, OR WARRANTY WITH RESPECT THERETO. In no event shall the Commission be liable for any damages, incidental, indirect, special, consequential or otherwise, in connection with or arising out of this Agreement or the existence, furnishing, maintenance, functioning or the County's use of any Item of Equipment or products or services provided for in this Agreement.

SECTION 2.10. Manufacturers' Warranties. So long as the County shall not be in default hereunder, the Commission hereby agrees to the appointment of the County as the Commission's agent and attorney-in-fact during the Lease Term for each Item of Equipment, to assert from time to time whatever claims and rights, including warranties of such Item of Equipment, which the Commission may have against the manufacturer or supplier of such Item of Equipment. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or supplier of such Item of Equipment and not against the Commission, nor shall such matter have any effect whatsoever on the rights of the Commission with respect to this Agreement, including the right to receive full and timely Lease Payments hereunder. The County expressly acknowledges that the Commission does not make, nor has it ever made, any representation or warranty whatsoever as to the existence or availability of such warranties of the manufacturer or supplier of any Item of Equipment.

### ARTICLE III

#### RENTALS AND OTHER PAYMENTS

SECTION 3.1. Payment of Rentals. The Commission and the County each acknowledge and agree that the Basic Rent payments due under this Agreement for the Items of Equipment purchased by the Commission (as set forth in Exhibit B hereto) reflect the Costs of the Equipment Project. By execution hereof, the County agrees to repay to the Commission the Cost of the Equipment Project and to pay Additional Rent in connection therewith as follows:

(a) The County shall pay to the Trustee, at the address set forth in Section 9.7 hereof, as Basic Rent on each Lease Payment Date, the amount in accordance with the schedule of Basic Rent set forth in Exhibit A hereto, as modified by any Substitution Certificate (annexed hereto as Exhibit G) delivered by the County pursuant to Section 8.1(b) hereof which, together with other moneys and interest and investment earnings available therefor, if any, will equal the County's Basic Rent obligation which is to be applied to the payment of the Equipment Project Allocable Portion of the Debt Service due on the Series 2017-2 Bonds on the next succeeding Bond Payment Date.

(b) The County shall pay to the Trustee, as the same shall become due and payable at any time during the Lease Term, on the Lease Payment Date or thirty (30) days after demand by the Commission or the Trustee, the following Additional Rent for the Equipment Project:

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#### SECTION 3.2. Indemnification.

(a) Both during the Lease Term and, thereafter, the County shall, to the extent permitted by State law, indemnify and hold the Commission and the Trustee harmless against, and the County shall pay any and all liability, loss, cost, damage, claims, judgments or expenses (including reasonable attorneys' fees and expenses), of any and all kinds or nature and howsoever arising, other than as a result of the gross negligence or willful misconduct of the Commission or the Trustee, their members, officers, agents, professionals, servants or employees, which the Commission or the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or both, or upon or arising out of contracts entered into by the County or the Commission relating to the Equipment, or the bidding or awarding of contracts with respect thereto, or arising out of the Commission's ownership of the Equipment or the leasing thereof to the County or arising out of the acquisition, installation, use, operation or maintenance of the Equipment pursuant to the terms of this Agreement, or arising out of or caused by any untrue or misleading statement of a material fact relating to the County, if any, in the Official Statement of the Commission dated November 29, 2017 (the "Official Statement") or any omission of any material fact relating to the County in the Official Statement. It is mutually agreed by the County and the Commission that, after commencement of the Lease Term as provided in Section 2.2 hereof, neither the Commission, the Trustee nor their respective members, commissioners, officers, agents, professionals, servants or employees shall be liable in any event for any action performed under this Agreement and that the County shall, to the extent permitted by State law, save the Commission and the Trustee harmless from any claim or suit of whatsoever nature arising hereunder except for such claims or suits arising as a result of the Commission's or the Trustee's gross negligence or willful misconduct. This provision shall survive the end of the Lease Term and the final maturity of the Equipment Project Allocable Portion of the Series 2017-2 Bonds.

(b) The County, at its own cost and expense, shall, to the extent permitted by State law, defend any and all such claims, suits and actions which may be brought or asserted against the Commission, the Trustee or their respective members, commissioners, officers, agents, professionals, servants or employees relating to the performance of their respective obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Agreement from its obligation to defend the County, the Commission, the Trustee and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy. The County agrees that it shall give the Commission and the Trustee prompt notice, in writing, of the County's knowledge of the filing of each such claim and the institution of each such suit or action.

(c) The Commission agrees that it:

- (1) shall give the Authorized County Representative prompt notice, in writing, upon its knowledge of the filing of each such claim and the institution of each such suit or action;
- (2) shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action; and

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- (1) The Equipment Project Allocable Portion of the Commission Administrative Expenses as shall have been submitted by the Commission to the Trustee and to an Authorized County Representative as contained in a certificate executed by an Authorized Commission Representative;
- (2) The Equipment Project Allocable Portion of the fees and expenses of the Trustee, the Registrar and any Paying Agents for the Series 2017-2 Bonds;
- (3) Insurance policy premiums if paid by the Commission pursuant to Section 5.6 hereof; and
- (4) Any other Additional Rent.

(c) The Commission shall deliver to the County and the Trustee a certificate, from time to time as necessary, which reflects credits, if any, to be applied toward the Basic Rent obligation of the County in accordance with the provisions hereof and of the Resolution.

In accordance with the Resolution, the County shall be notified annually, in writing, by the Trustee of the amounts arising from investment earnings, if any, but such amounts shall not be applied as a credit against the Basic Rent payment obligations of the County except as set forth in Section 507(4) of the Resolution. In the event a dispute arises between the Commission and the County with respect to the amount of Basic Rent due and owing by the County, or the credits to be applied toward the County's Basic Rent obligation, such dispute shall be resolved by the Commission. The Trustee shall have no obligation with respect thereto. Notwithstanding any credits which may accrue to the County during the Lease Term, the County is obligated to pay all amounts which constitute Rentals which are due under this Agreement.

(d) Any Rentals due and owing pursuant to this Section 3.1 which are not paid by the County on or before the due date thereof shall, from and after said due date, bear interest (to the extent permitted by State law) at the highest rate per annum borne by the then Outstanding Series 2017-2 Bonds of the Commission until paid, time being of the absolute essence of this obligation. Any interest amounts owed by the County pursuant to this Section 3.1(d) shall constitute Additional Rent and shall be paid to the Trustee after demand by the Commission.

(e) All Rental Payments by the County shall be made in immediately available funds and shall be paid to the Trustee at the address set forth in Section 9.7 hereof.

(f) By execution hereof, the County expressly acknowledges the Commission's right to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel compliance and to enforce the County's full and timely payment of Basic Rent payments hereunder.

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- (3) shall permit the County to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the County shall keep the Commission informed as to the progress of any suit, claim or action, and the County shall not reach a final settlement, adjustment or compromise without the Commission's prior approval, which approval shall not be unreasonably withheld.

(d) To the extent permitted by State law, any reasonable cost incurred by the Commission or the Trustee for its respective attorneys, experts' testimony costs and any and all reasonable costs to defend the Commission or the Trustee or any of its respective directors, officials, members, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Trustee for the benefit of the Commission or the Trustee, as the case may be, by the County hereunder, as a Equipment Project Allocable Portion of a Commission Administrative Expense constituting Additional Rent under Section 3.1(b) hereof.

#### SECTION 3.3. Nature of Obligations of the County.

(a) The County shall be obligated to pay all amounts due under this Agreement which constitute Rentals, including Equipment Project Allocable Portion of Commission Administrative Expenses, which amounts shall be sufficient to amortize the Equipment Project Allocable Portion of the Debt Service on the Series 2017-2 Bonds and to fulfill its payment obligations hereunder. The obligation of the County to pay Rentals and to pay all other amounts provided for in this Agreement and to perform its obligations under this Agreement shall be absolute and unconditional, and such Rentals and other amounts shall be payable without any rights of set-off, recoupment or counterclaim it might have against the Commission, the Trustee or any other Person and whether or not the Equipment is purchased or is used by the County or available for use by the County.

(b) The County shall not terminate this Agreement (other than such termination as is provided for hereunder) or be excused from performing its obligations hereunder or be entitled to any abatement of its obligation to pay or cause to be paid Rentals or any other amounts hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Equipment, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Equipment, or the failure of the Commission to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

SECTION 3.4. County Lease Payment Obligation. Notwithstanding anything in this Agreement to the contrary, the cost and expense of the performance by the County of its obligations under this Agreement and the incurring of any liabilities of the County under this Agreement including, without limitation, the obligation for the payment of all Rentals and all other amounts required to be paid by the County under this Agreement is a direct and general obligation for which the full faith and credit of the County is hereby pledged, which obligation is not subject to County appropriation and, unless the Rentals and such other amounts required to be paid by the County under this Agreement are paid from other sources, the County shall be

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obligated to levy *ad valorem* taxes on all taxable real property within the jurisdiction of the County without limitation as to rate or amount.

**SECTION 3.5. Nature of Obligations of the Commission.** The cost and expense of the performance by the Commission of any of its obligations under the terms of this Agreement shall be limited to the availability of the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds which have been issued for such purposes or from other funds received by the Commission under the terms of this Agreement or from insurance policies held by or for the benefit of the Commission and which are available for such purposes.

**SECTION 3.6. Assignment of Payments by Commission.**

(a) It is understood that all payments which are received by the Commission from the County under the terms of this Agreement (except payments which are made pursuant to Sections 3.1(b) and 3.2 hereof) are to be assigned by the Commission to the Trustee pursuant to the terms of the Resolution. Such assignment of payments by the Commission to the Trustee shall impose no duties or responsibilities on the Trustee with respect to the obligations of the Commission under the Resolution or this Agreement. To the extent any payments made pursuant to Section 3.2 hereof are derived from the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds, such payments shall nonetheless be assigned by the Commission to the Trustee pursuant to the terms of the Resolution.

(b) The Commission agrees to notify the County, by the execution of an appropriate instrument making such assignment to the Trustee, and the County consents to such assignment and agrees that, upon receipt of such notification, it will pay directly to the Trustee at its principal corporate trust office all payments which are due and payable by the County to the Commission pursuant to the terms of this Agreement (except payments which are required to be made pursuant to Sections 3.1(b) and 3.2 hereof) without any defense, set-off or counterclaim arising out of any default on the part of the Commission hereunder. Except as provided in this Section 3.6, the Commission shall not assign this Agreement or any payments which are required to be made under the terms of this Agreement. Except as provided in Section 7.2 hereof, the Commission shall not sell or otherwise encumber its interest in the Equipment.

**SECTION 3.7. Option to Purchase Equipment Prior to Expiration of Agreement.**

(a) As long as no Event of Default has occurred and is continuing, the County shall have and may exercise, at any time prior to the expiration of the Lease Term, the option to purchase the Equipment upon payment to the Commission of the purchase price therefor in an amount as provided in paragraph (b) below. The County may exercise such option upon thirty (30) calendar days' prior written notice to the Commission and the Trustee.

(b) In the event the County determines to exercise its option to purchase the Equipment, the County shall deposit with the Trustee an amount which is equal to the Purchase Option Price. The Purchase Option Price as of any date shall mean the amount equal to (i) the aggregate amount of principal and interest and redemption premium, if any (collectively, the "Aggregate Debt Service Obligation"), payable in respect of the Equipment Project Allocable Portion of the then Outstanding Series 2017-2 Bonds at their maturity or earliest optional redemption date, if any, plus (ii) any Additional Rent and other amounts due and owing pursuant

to Sections 3.1(a) and (b) hereof, including but not limited to, escrow verification fees. The principal and interest as of each Lease Payment Date (based on the assumption that all other scheduled payments due on and prior to such date have been paid) with respect to the Equipment Project is as shown on Exhibit A which is attached hereto and which by this reference is made a part hereof as if set forth in full herein (which shall be amended in connection with the issuance of any additional Series of Refunding Bonds). All payments of Basic Rent which have been made by the County under the terms of Section 3.1(a) hereof prior to the date of the notice delivered by the County, as provided above, shall be credited toward the purchase price of the Equipment in arriving at the Purchase Option Price. The Purchase Option Price may be paid in such lesser amount such that, upon investment of all or a portion thereof in obligations described in subparagraph (a) of the definition of "Investment Securities" contained in Section 101 of the Resolution, the maturing principal of and interest on which (together with any uninvested cash) shall be sufficient to pay the Aggregate Debt Service Obligation, payable in respect of the Equipment Project Allocable Portion of the then Outstanding Series 2017-2 Bonds at their maturity or earliest optional redemption date, if any, plus Additional Rent and other amounts due and owing pursuant to clause (ii) hereof.

(c) Upon the exercise by the County of its option to purchase the Equipment (as evidenced by the deposit of the Purchase Option Price with the Trustee, as required by paragraph (b) above), the County shall have no further obligation under the terms of this Agreement; provided, however, that the provisions of Section 3.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such exercise. Upon the exercise of the County's option to purchase the Equipment, the Commission and the County shall take all necessary actions to authorize, execute and deliver any and all documents which are required to transfer the Commission's interest in the Equipment to the County.

**SECTION 3.8. Transfer of Title to Equipment.** In the event that the County has made payment of all Rentals, as provided in this Article III, throughout the Lease Term, or has exercised its option to purchase the Equipment, as provided in Section 3.7 hereof, and no Event of Default shall have occurred and be continuing, title to the Equipment shall be transferred to the County. Such transfer shall occur upon receipt by the Commission of notice from the Trustee of receipt by the Trustee of the final Rental Payment or the Purchase Option Price, as the case may be. In such event, this Agreement shall terminate and all of the rights, duties and obligations of the parties hereto shall cease as of the date of such notice, except that the provisions of Section 3.2 hereof regarding indemnification by the County, to the extent permitted by State law, shall survive any such termination.

**ARTICLE IV**

**LEASE TERM; RENEWAL**

**SECTION 4.1. Lease Term for Item(s) of Equipment.** The Lease Term for all Items of Equipment shall terminate when the Equipment Project Allocable Portion of the Series 2017-2 Bonds are no longer Outstanding and when the County shall have paid to the Commission and the Trustee all Rentals and other amounts due and owing pursuant to the provisions of this Agreement, unless sooner terminated in accordance with the provisions of this Agreement for a reason other than the Default of the County of any obligation hereunder.

Notwithstanding the above, in the event the County fails to comply with the provisions of this Agreement, the Commission and the Trustee may pursue remedies in accordance with Article VII hereof.

**SECTION 4.2. Effect of Noncompliance With Lease Provisions.**

(a) Upon the occurrence of any Event of Default referred to in Section 7.1 hereof, the County shall return to the Commission each Item of Equipment for which the County is in default, or the Commission may, at its option and in its discretion, determine which Item of Equipment shall be returned to the Commission for sale in accordance with the provisions hereof and the County shall continue to be liable for (1) the payment of applicable Basic Rent with respect to each such Item of Equipment and Additional Rent scheduled to become due on any succeeding Lease Payment Date or upon demand, as applicable, (2) the payment of any general, special, incidental, consequential or other damages resulting from such Event of Default and (3) any other losses suffered by the Commission as a result of the County's failure to take such actions as required.

(b) If the County shall be required to return any Item of Equipment in the possession of the County to the Commission prior to the payment of all Basic Rent and Additional Rent pursuant to the provisions hereof, the County shall return the applicable Item of Equipment to the Commission at the location specified by the Commission, at the County's expense, in the condition, repair, appearance and working order that the County is required to maintain such Item of Equipment under this Agreement within ten (10) days of such request in accordance with the instructions of the Commission. Upon the Commission's receipt of the applicable Item of Equipment, the Commission may sell the same in such manner as it deems appropriate, and the County shall have no further rights whatsoever with respect thereto or claims against the Commission with respect to the sale thereof.

(c) Moneys from such sale (net of expenses incurred by the Commission in the sale thereof) shall be paid over to the Trustee and deposited in the Equipment Project Account of the Proceeds Fund and applied by the Trustee in accordance with the written direction of the Commission to be applied as a credit toward the payment of the County's Basic Rent obligations hereunder due on the next succeeding Lease Payment Date pursuant to Section 507 of the Resolution.

(d) Amounts remaining in the Equipment Project Account of the Proceeds Fund from the sale of Equipment after the application of moneys therein pursuant to paragraph (c) above

and Section 507 of the Resolution shall be applied, at the direction of the Commission, as a credit toward any other Additional Rent payments of the County due and owing prior to the termination of the Lease Term and final Equipment Project Allocable Portion of the Debt Service payment of the Series 2017-2 Bonds related thereto.

(e) In the event there are any moneys remaining in the Equipment Project Account of the Proceeds Fund from the sale of such Equipment after application of such moneys by the Trustee in accordance with paragraphs (b), (c) and (d) above and upon the termination of the Lease Term and final maturity of the Outstanding Equipment Project Allocable Portion of the Series 2017-2 Bonds, such moneys shall be paid to the County, upon receipt by the Trustee of a written directive of the Commission with respect thereto.

**ARTICLE V**

**COVENANTS OF COUNTY**

**SECTION 5.1. Maintenance of Equipment.** The County covenants and agrees that at all times during the Lease Term for each Item of Equipment, the County will, at the County's own cost and expense, maintain, preserve and keep each Item of Equipment in good repair, working order and condition in accordance with the Equipment manufacturer's recommended maintenance procedures, and that the County will make all necessary and proper repairs, replacements and renewals thereto. The Commission shall have no responsibility in any of these matters, or for the making of improvements or additions to each Item of Equipment.

**SECTION 5.2. Taxes, Other Governmental Charges and Utility Charges.** In the event the ownership, leasing, use, possession or acquisition of any Item of Equipment is found to be subject to taxation in any form, the County will pay during the related Lease Term, as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to any Item of Equipment and any equipment or other property acquired by the County permitted under this Agreement in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, any Item of Equipment, as well as all utility and other charges incurred in the operation, maintenance, use, preservation, occupancy and upkeep of any Item of Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as have accrued during the time the related Lease Term is in effect.

**SECTION 5.3. Provisions Regarding Insurance.** At its own expense, the County shall carry and maintain casualty, public liability and property damage insurance, or the County shall demonstrate to the satisfaction of the Commission, that adequate self-insurance is provided with respect to each Item of Equipment, sufficient in each case to replace such Item of Equipment and to protect the Commission from liability under all circumstances. The County agrees to maintain and the Commission agrees to accept evidence of blanket insurance coverage which applies to all lease purchase agreements. All insurance policies shall provide that the Commission and the Trustee shall be provided with prior written notice of renewal or cancellation of such policy thirty (30) days prior thereto. If the County maintains a program of self-insurance for similar properties, the County may insure each Item of Equipment in its self-insurance program and



shall provide an adequate insurance fund to pay losses. Notwithstanding the foregoing, if the County elects to self insure Equipment acquired during the Lease Term, in the event the Equipment is damaged or destroyed, the County shall immediately pay over to the Commission all moneys for such damage or loss for deposit with the Trustee to be applied in accordance with Section 5.4 hereof.

Any insurance policy maintained pursuant to this Section 5.3 shall be so written or endorsed as to make losses, if any, payable to the County, the Commission and the Trustee, as their respective interests may appear. The Proceeds of the insurance required in this Section 5.3 shall be applied as provided in Sections 5.4 and 5.5 hereof.

**SECTION 5.4. Damage, Destruction or Condemnation.** If any Item of Equipment is destroyed or is damaged by fire or other casualty, or title to, or the temporary use of, such Item of Equipment shall be taken under the exercise of the power of eminent domain, the County shall, as long as the County is not in default under the provisions of this Agreement, within ninety (90) days after such damage, destruction or condemnation, elect one of the following two options by providing written notice of such election to the Commission and the Trustee:

(a) **Option A - Repair, Restoration or Replacement.** The County, the Commission and the Trustee will cause the Proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration or replacement (in which case such replacement of any Item of Equipment shall become subject to the provisions of this Agreement as fully as if it were the originally leased Item of Equipment) of such Item of Equipment. Any Proceeds received by the Commission shall be deposited in the Equipment Project Account of the Project Fund and be applied by the Trustee to complete the payment of the cost of such repair, restoration or replacement, in the same manner and upon the same conditions as set forth in the Resolution for the payment of the Cost of the Equipment from the Equipment Project Account of the Project Fund. In accordance with a certificate of an Authorized County Representative delivered to the Trustee, any balance of the Proceeds remaining after the repair, restoration or replacement of such Item of Equipment shall be transferred by the Trustee to the Equipment Project Account of the Debt Service Fund and shall be applied by the Trustee as a credit toward the Basic Rent obligations of the County on any Lease Payment Date in accordance with Sections 503 of the Resolution. Notwithstanding the above, the County shall continue to pay Rentals on all Items of Equipment.

(b) **Option B - Deposit to Equipment Project Account of the Proceeds Fund.** The County, the Trustee and the Commission will cause the Proceeds of any insurance claim or condemnation award to be deposited in the Equipment Project Account of the Proceeds Fund and the Trustee shall apply such Proceeds as a credit toward the Basic Rent obligations of the County in accordance with the provisions of Sections 507(1) and (2) of the Resolution. The County shall continue to pay Rentals on all Items of Equipment.

(c) All interest earned or any gain realized on any moneys or investments in the Equipment Project Account of the Proceeds Fund shall be applied in accordance with the provisions of Section 507(6) of the Resolution.

In the event the County is in default under the provisions of this Agreement, the Commission, upon written direction of an Authorized Commission Representative to the Trustee,

shall elect Option A or Option B in accordance with the provisions of this Section 5.4. The Commission shall provide written notice of such election to the County.

**SECTION 5.5. Insufficiency of Proceeds.** If the County elects to repair, restore or replace any Item of Equipment under the terms of Section 5.4(a) hereof and the Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the County shall complete the work and pay any Cost in excess of the amount of the Proceeds and the County agrees that, if by reason of any such insufficiency of the Proceeds, the County shall make any payments pursuant to the provisions of this Section 5.5, the County shall not be entitled to any reimbursement therefrom from the Commission nor shall the County be entitled to any diminution or offset of the amounts payable under this Agreement.

**SECTION 5.6. Advances.** In the event the County shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep any Item of Equipment in good repair and operating condition, the Commission may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same, or make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Commission shall become immediately due and payable as Additional Rent, which amounts, together with interest at the highest rate permitted by State law until paid, the County agrees to pay to the Commission.

**SECTION 5.7. Performance Bonds and Other Guaranty.** In the event an advance, partial or progress payment is to be made with respect to any Item of Equipment pursuant to Section 2.5(g) hereof, the County shall cause the contractor or subcontractor qualified to do business in the State for such Item of Equipment to provide a performance bond or bonds, a letter of credit or any other form of financial guaranty covering with respect to such Item of Equipment (i) performance of the contract, and (ii) payment for labor and materials.

Any performance bond or bonds, letter of credit or other form of financial guaranty shall be executed by a responsible surety company qualified to do business in the State and shall in each case be in an amount not less than one hundred percent (100%) of the contract price. Any performance bond, letter of credit or other form of financial guaranty provided pursuant to this Section 5.7 shall be made payable to the County and the Commission, as their respective interests may appear. The Proceeds from any performance bond provided pursuant to this Section 5.7 shall be paid over to the Trustee for deposit into the Equipment Project Account of the Proceeds Fund and applied as a credit toward the Basic Rent obligations of the County hereunder in accordance with the provisions of Sections 507(1) and (2) of the Resolution.

**SECTION 5.8. Net Lease.** This Agreement shall be deemed to be and is construed to be a "net lease", and the County shall pay absolutely net during the Lease Term the Rentals and all other payments which are required to be made under the terms of this Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

**SECTION 5.9. Compliance With Laws.** The parties to this Agreement agree to comply with all laws of the State applicable to the performance of this Agreement.

**SECTION 5.10. Covenant of County as to Compliance With Federal Tax Matters.** Upon the advice of Bond Counsel to the Commission, the County covenants that it will take all actions which are within its control that are necessary to assure that interest on the Series 2017-2 Bonds is excludable from gross income for Federal income tax purposes and the County further covenants that it will refrain from taking any action that would cause the interest on the Series 2017-2 Bonds to be includable in gross income under the provisions of the Code. The County specifically covenants as to the following:

(a) Not more than ten (10%) percent of the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds used to finance the Equipment Project (i) will be used for any private business use, and (ii) will be directly or indirectly (1) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (2) derived from payments in respect of property, or borrowed money, used or to be used for a private business use. If the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds are to be used for any private business use which is not related or is disproportionate to the governmental use of the proceeds pursuant to Section 141(b)(3) of the Code, not more than five percent (5%) of the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds used to finance the Equipment Project Allocable Portion are to be used for any private business use and not more than five percent (5%) of the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds used to finance the Equipment Project are secured by any interest in property used or to be used for a private business or payments in respect of such property, or to be derived from payments in respect of property or borrowed money, used or to be used for a private business use. The County will not enter into any type of lease or management or service contract with respect to the Equipment unless it obtains an opinion of Bond Counsel that such agreement will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Series 2017-2 Bonds.

(b) The Equipment will be used by the County for the provision of essential governmental services. The County covenants to so continue public ownership, operation and such public usage while the Equipment Project Allocable Portion of the Series 2017-2 Bonds are Outstanding, unless Bond Counsel has opined that a proposed change in ownership, operation or usage will not jeopardize the exclusion from gross income for Federal income tax purposes of the interest on the Equipment Project Allocable Portion of the Series 2017-2 Bonds.

(c) No part of the Equipment Project Allocable Portion of the proceeds of the Series 2017-2 Bonds used to finance the Equipment Project will be used to replace other funds of the County that were to be used for the Equipment Project and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Series 2017-2 Bonds.

(d) The County hereby covenants to comply with the arbitrage requirements of Section 148 of the Code and the rebate requirements imposed by Section 148(f) of the Code. To the extent any rebate must be paid with respect to the Equipment Project Allocable Portion of the Series 2017-2 Bonds, the County will promptly pay such amounts upon request of the Commission.

(e) Except as indicated herein, the County does not anticipate that it will pledge any other investments or establish or create any other fund which will be security for the Equipment Project Allocable Portion of the Series 2017-2 Bonds.

(f) The County has not been notified of any publication by the Internal Revenue Service listing it as an issuer whose certification as to expectations may not be relied upon with respect to its obligations.

(g) The County shall immediately notify the Commission of any failure to comply with the foregoing covenants of which it has actual knowledge.

**SECTION 5.11. Representations and Warranties of County.** The County represents and warrants as follows:

(a) It is a public body corporate and politic duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its governing body, it has duly authorized the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement and compliance with the provisions hereof will not conflict with or constitute on the part of the County a violation of, breach of or default under any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the County is bound or, to the knowledge of the County, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the County or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the consummation of the transactions contemplated hereby have been obtained.

(c) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2017-2 Bonds, there is no action, suit, proceeding or investigation at law or in equity pending against the County by or before any court or public agency or, to the knowledge of the County, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby, or which in any way would adversely affect the validity of this Agreement, or any agreement or instrument to which the County is a party (including the Commission Operations Agreement) and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) To its knowledge, no legislation has been enacted which in any way adversely affects the execution and delivery of this Agreement by the County, or the creation, organization or existence of the County or the titles to office of any officials thereof, or the power of the County to carry out its obligations under this Agreement.

(e) Except as otherwise disclosed in the Official Statement pertaining to the offering and sale of the Series 2017-2 Bonds, the County is not a party to any indenture, loan or credit agreement or any other agreement, resolution, contract, instrument, pension plan, pension trust, employee benefit or welfare plan, or subject to any restriction which may reasonably be expected to have an adverse effect on its properties, assets, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Agreement.

(f) The County will, upon execution and delivery of this Agreement, deliver or cause to be delivered to the Commission an opinion of counsel to the County in substantially the form set forth in Exhibit H hereto.

SECTION 5.12. County Budget and Notice of Appropriation for Lease Payments.

(a) The County covenants that in each Fiscal Year of the Lease Term, it will include in its annual budget the Rentals which are due and payable or which will become due and payable during such Fiscal Year under the terms of this Agreement.

(b) By execution hereof, the County expressly acknowledges the Commission's right, but not its obligation, to bring an action for immediate *ex-parte* injunctive relief or other judicial proceeding to compel the County to provide an appropriation for Lease Payments due under this Agreement.

(c) The County shall also notify the Trustee and the Commission of any change in the Fiscal Year of the County within ten (10) Business Days of the adoption of the authorization therefor by the governing body of the County.

SECTION 5.13. Third-Party Beneficiary. The County and the Commission by the execution hereof acknowledge that the covenants, representations and warranties set forth herein are for the benefit of the Trustee.

SECTION 5.14. Continuing Disclosure. In recognition of the fact that the County will not be a signatory to the Continuing Disclosure Agreement, between the Commission and TD Bank, National Association, as dissemination agent, relating to the Series 2017C-2 Notes, the County hereby covenants that it will notify the Commission, to the extent it has direct knowledge, of the occurrence of (i) rating changes relating to the County, (ii) bankruptcy, insolvency, receivership or similar events relating to the County, and (iii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

ARTICLE VI  
TITLE

SECTION 6.1. Title To Equipment. During the Lease Term, title to the Equipment and any and all additions, repairs, replacements or modifications thereto shall be in the name of the Commission.

SECTION 6.2. Liens. During the Lease Term of each Item of Equipment, the County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to such Item of Equipment, and the respective rights of the Commission and the County as herein provided. The County shall reimburse the

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(d) The filing of a petition by or against the County under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Agreement or thereafter enacted, unless in the case of any such petition filed against the County, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property or assets shall be appointed by court order or take possession of the County or its property or assets if such order remains in effect or if such possession continues for more than thirty (30) days; or

(e) Any sale of all or a portion of the Equipment or any termination of any Lease Term of any Item of Equipment provided the County has not elected to terminate this Agreement pursuant to the provisions of Section 3.7 hereof.

SECTION 7.2. Remedies. Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and shall be continuing, any one or more of the following remedial steps may be taken, provided that, where applicable, prior written notice of the Default has been given to the County by the Commission or by the Trustee and the Default has not been cured:

(a) The Commission may take possession of each Item of Equipment to which a Default applies without terminating this Agreement and sell such Equipment for the account of the County, and shall continue to hold the County liable for the Rental Payments due and owing to the Commission under this Agreement;

(b) The Commission may accelerate the Rental Payments owed by the County for each Item of Equipment, holding the County liable for all Rentals and other amounts due to the Commission under the terms of this Agreement; and

(c) The Commission may take whatever action at law or in equity may appear to be necessary or desirable in order to collect the payments which are then due and payable and thereafter to become due and payable, or to enforce the performance and observance of any obligation, agreement or covenant of the County under the terms of this Agreement.

Any amounts which are collected pursuant to action taken under this Section 7.2 shall be applied in accordance with the provisions of the Resolution. If the Resolution has been discharged and all costs of the Commission, if any, shall have been paid, any remaining amounts collected pursuant to actions taken under paragraph (c) of this Section 7.2 shall be paid to the County by the Trustee.

SECTION 7.3. Reinstatement. Notwithstanding the provisions of Sections 4.1, 4.2 and 7.2 hereof if, after the acceleration of the Rental Payments upon occurrence of an Event of Default, all arrears of interest on such overdue Rental Payments and the Rental Payments which have become due and payable otherwise than by acceleration, and all other sums payable under this Agreement, except Rental Payments due and payable as a result of acceleration, shall have been paid by or for the account of the County or provision satisfactory to the Trustee shall have been made, all other things shall have been performed in respect of which there was a Default or provision deemed by the Trustee to be adequate shall be made therefor and there shall have been paid the reasonable fees and expenses, including Additional Rent and the Equipment Project

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Commission for any expense incurred by the Commission in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 6.3. Personal Property. Each Item of Equipment is and shall at all times be and remain personal property notwithstanding that such Item of Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any improvement thereon.

SECTION 6.4. Use of the Equipment. The County will not install, use, operate or maintain any Item of Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. The County shall provide all permits and licenses, if any, necessary for the installation and operation of each Item of Equipment. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Item of Equipment) with all laws of the jurisdictions in which its operations involving any Item of Equipment may extend and with all regulations, orders and decrees of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over any Item of Equipment; *provided, however*, that the County, at its sole cost and expense, may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not adversely affect the interest or rights of the Commission in and to any Items of Equipment or its interest or rights under this Agreement, provided the County so notifies the Commission.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 Events of Default. An "Event of Default" or a "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the County to pay or cause to be paid when due the payments which are required to be made under the provisions of Section 3.1(a) hereof;

(b) Failure by the County to pay or cause to be paid when due any payments which are required to be made under the provisions of this Agreement (other than payments required to be made under Section 3.1(a) hereof), which failure shall continue for a period of thirty (30) days after written notice thereof, specifying such failure and requesting that it be remedied, is given to the County by the Commission or the Trustee;

(c) Failure by the County to observe and perform any covenant, condition or agreement which is required to be observed or performed by it (other than as referred to in paragraphs (a) and (b) of this Section 7.1 hereof and in Section 5.14 hereof), which failure shall continue for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the County by the Commission or the Trustee, unless the notifying party shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by or on behalf of the County within the applicable period and is diligently pursued until the default is remedied;

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Allocable Portion of the Commission Administrative Expenses (including reasonable attorneys' fees paid or incurred), if any, and such acceleration under this Agreement is rescinded, the Trustee shall waive the County's Default without further action by the Commission and the Commission and the Trustee shall be restored to their former positions and rights under the Resolution. Upon such payment and waiver, this Agreement shall be fully reinstated as if it had never been accelerated. No such restoration of the Commission and the Trustee shall extend to or affect any subsequent Default under the Resolution or impair any right consequent or incidental thereto.

SECTION 7.4. Payment Deficiencies. If an Event of Default referred to in Section 7.1(a) hereof shall have happened and be continuing and there remains outstanding Basic Rent payments which have not been paid to the Trustee pursuant to the terms of this Agreement (which determination shall be made by the Trustee as at the close of business on any Lease Payment Date), the Trustee, on behalf of the Commission, shall notify the County and the Commission, in writing not later than 3:00 p.m. on such Lease Payment Date, of the failure of the County to pay its Basic Rent on the Lease Payment Date, which notice shall state the amount of any such deficiency, the date by which the deficiency must be cured by the County (which date shall not be later than the Bond Payment Date). Notwithstanding the above, the Commission and the Trustee shall undertake all diligent efforts to pursue the County and cause it to pay all amounts due and owing to the Commission under this Agreement prior or subsequent to any Bond Payment Date.

SECTION 7.5. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Commission or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default hereunder shall impair any such right or power or shall be construed to be a waiver hereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Commission or the Trustee to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 7.6. No Additional Waiver Implied By One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VIII

SALE, ASSIGNMENT, SUBLEASING AND SUBSTITUTION CONVEYANCE OF  
EQUIPMENT TO COUNTY

SECTION 8.1. Sale, Assignment, Subleasing or Substitution by County.

(a) Neither this Agreement nor the interests of the County in any Item of Equipment may be sold, assigned or subleased by the County.

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(b) As contemplated by this Agreement, a portion of the Costs of the Equipment set forth in Exhibit B will be initially financed with Series 2017C-2 Note proceeds; provided, however, that, prior to the County's delivery of a Completion Certificate for any Item of Equipment, the County may, for any reason, elect to substitute one or more other Items of Equipment for the Items of Equipment that were previously contemplated; provided, however, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized County Representative expressing the County's intent to substitute Items of Equipment pursuant to this Agreement and to the effect that (A) the aggregate value of all Items of Equipment financed with proceeds of the applicable Series of Series 2017-2 Bonds for which an acceptance certificate has been delivered plus the value of the new Items of Equipment to be acquired and installed with proceeds of the applicable Series of Series 2017-2 Bonds is equal to at least 100% of the amount of Bond proceeds of the applicable Series of Series 2017-2 Bonds initially deposited in the Equipment Project Account of the Project Fund established for the Equipment pursuant to the Resolution, (B) the estimated weighted average useful life of all the Items of Equipment to be acquired hereunder with proceeds of the applicable Series of Series 2017-2 Bonds after the substitution is equal to or greater than the weighted average useful life of all the Items of Equipment at the time of issuance of the applicable Series of the Series 2017-2 Bonds, (ii) a new Exhibit B to this Agreement setting out the new Items of Equipment to be acquired, (iii) a Counsel's Opinion (as defined in the Resolution) to the effect that each of such substitutions and this Agreement, as supplemented thereby, is in compliance with all applicable laws, and that the financing of such new Items of Equipment falls within the corporate powers of the Commission, and (iv) an opinion of nationally recognized Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Series 2017-2 Bonds from the gross income of the owners thereof for Federal income taxation purposes. In addition, the County shall cause a Substitution Certificate substantially in the form set forth in Exhibit G hereto to be executed by an Authorized County Representative, and approved by an Authorized Commission Representative (which approval shall not be unreasonably withheld), and which shall be delivered and filed with the Commission and the Trustee, which certificate shall reflect the substitution of the Items of Equipment previously set forth in Exhibit B hereto. The County may not elect to substitute or exchange Equipment for an Item of Equipment pursuant to this Agreement for which the County has furnished to the Trustee an acceptance certificate. To the extent excess Series B Bond proceeds remain in the Equipment Project Account of the Project Fund established for the Equipment pursuant to the Resolution after all of the Items of Equipment set forth in Exhibit B hereto to be financed with proceeds of the applicable Series of Series 2017-2 Bonds have been acquired or completed, the County may apply such excess proceeds to the acquisition, construction and installation of additional Items of Equipment, but such application may only occur if the Trustee shall have received (i) a Certificate of an Authorized County Representative expressing the County's intent to add Items of Equipment pursuant to this Agreement, (ii) a Counsel's Opinion that is satisfactory to the Commission to the effect that each such addition and this Agreement, as supplemented thereby, is in compliance with all applicable laws and that the financing of such new Items of Equipment falls within the corporate powers of the Commission, and (iii) an opinion of nationally recognized Bond Counsel to the effect that such addition will not adversely affect the exclusion of interest on any Series of Series 2017-2 Bonds from the gross income of the owners thereof for Federal income taxation purposes

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or dispose of such Item of Equipment or require the County to sell or dispose of such Item of Equipment. In any event, the County shall pay the cost of selling or disposing of the same.

**SECTION 9.2. Successors and Assigns.** This Agreement shall inure to the benefit of the County, the Commission, the Trustee and their respective successors and assigns and shall be binding upon the County and the Commission and their respective successors and assigns.

**SECTION 9.3. Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 9.4. Amendments.**

(a) This Agreement may be amended upon the written consent of the County and the Commission; provided, however, that, except as provided below, no such amendment shall be effective without a Counsel's Opinion (as defined in the Resolution) if, in the judgment of the Trustee, such amendment adversely affects the rights of the Holders of the Series 2017-2 Bonds which are Outstanding at the time of such amendment.

(b) Notwithstanding anything herein to the contrary, this Agreement may be amended under all circumstances to provide for a change in the description of the Equipment in accordance with the provisions of Article VIII hereof.

**SECTION 9.5. Amounts Remaining Under Resolution.** It is agreed by the parties hereto that upon the expiration or sooner termination of the Lease Term, as provided in this Agreement, after payment in full of the Equipment Project Allocable Portion of the Outstanding Series 2017-2 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Resolution) and all Rental Payments due hereunder and the fees, charges and expenses of the Fiduciaries and the Commission in accordance with the provisions of the Resolution and this Agreement, any amounts which are remaining in any Equipment Project Account of any Fund created under the terms of the Resolution shall belong to, and be paid by the Commission (after receipt from the Trustee) to, the County.

**SECTION 9.6. Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 9.7. Notices.** All notices, demands or other communications provided for in this Agreement shall be in writing and shall be delivered personally, by facsimile transmission (with written confirmation of receipt) in accordance herewith and sent by certified or registered mail, personal delivery or recognized overnight delivery to: (i) the Commission at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065, Attn: Executive Director, (ii) the Trustee at TD Bank, National Association, 1006 Astoria Boulevard, Cherry Hill, New Jersey 08034, Attn: Corporate Trust Services, and (iii) the County at 49 Rancocas Road, Mount Holly, New Jersey 08060, Attn: County Treasurer, or to such other representatives or addresses as the Commission, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

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(c) Notwithstanding the above, if the County is not able to deliver an Item of Equipment or make arrangements for its substitution or addition as provided herein, the portion of the proceeds of the Equipment Project Allocable Portion of the Series 2017-2 Bonds allocated to such Item of Equipment shall be transferred into the Equipment Project Account of the Debt Service Fund and used to make Debt Service payments on the Equipment Project Allocable Portion of the Series 2017-2 Bonds on each Lease Payment Date in accordance with Sections 503 of the Resolution. The County shall continue to be liable hereunder for all Basic Rent payments necessary to amortize Debt Service on the Equipment Project Allocable Portion of the Series 2017-2 Bonds (net of the amount of the Equipment Project Allocable Portion of the Series B Bond proceeds allocated to the County so applied) and Additional Rent.

**SECTION 8.2. Option to Purchase Equipment.** If the County shall have paid all amounts due and owing under this Agreement including Additional Rent and shall have cured any and all Defaults under this Agreement, the County shall have and may exercise, at the time of the expiration of the Lease Term applicable to any Item of Equipment, the option to purchase such Item of Equipment under the provisions of this Section 8.2 upon payment to the Commission, net of any expenses of sale, of the purchase price therefor. The purchase price payable for each Item of Equipment shall be the sum of One Dollar (\$1.00). The option shall have been deemed to have been exercised by the County if the County shall include in its final Lease Payment the additional sum of \$1.00 for each Item of Equipment. If the County does not want to purchase the Item of Equipment it shall not include the \$1.00 option payment in its final Lease Payment. In such event and upon the surrender of possession of such Item of Equipment to the Commission, the Commission may, or may direct the County to sell or dispose of each such Item of Equipment not so purchased. The proceeds received by the Commission or paid over to the Commission from the County from such sale shall be paid over to the Trustee and shall be deposited in the Equipment Project Account of the Proceeds Fund and shall be applied by the Trustee in accordance with Section 507 of the Resolution.

**SECTION 8.3. Date of Settlement.** Within thirty (30) days after the payment of the purchase price by the County, the Commission shall, upon receipt of written direction from the County, contemporaneously convey to the County all of the Commission's right, title and interest in and to such Item of Equipment by such legal instruments required therefor. The County shall bear all costs and expenses in connection with the preparation of the documents of conveyance and the delivery thereof and all fees, assessments, taxes and charges payable in connection with the conveyance of title to such Item of Equipment.

ARTICLE IX

MISCELLANEOUS

**SECTION 9.1. Surrender of Possession.** Except as otherwise expressly provided in this Agreement upon the termination of the Lease Term as a result of the occurrence of an Event of Default under the terms of Article VII hereof, the County hereby agrees to surrender possession of each Item of Equipment peacefully and promptly to the Commission in as good condition as at the commencement of the Lease Term, except for loss by fire or other casualty covered by insurance, condemnation and ordinary wear, tear and obsolescence only excepted. Notwithstanding the above, at the election of the Commission, the Commission shall either sell

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**SECTION 9.8. Headings.** The Article and Section headings in this Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

**SECTION 9.9. Non-Waiver.** It is understood and agreed that nothing contained in this Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Agreement.

**SECTION 9.10. Survival of Agreement.** Notwithstanding anything herein to the contrary, the provisions of Sections 3.2 (to the extent permitted by State law), 5.3 and 5.10 hereof shall survive the expiration of the Lease Term and the final maturity of the Equipment Project Allocable Portion of the Series 2017-2 Bonds.

**SECTION 9.11. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

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IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY BRIDGE COMMISSION  
 By: [Signature] Secretary  
 By: [Signature] Authorized Commission Representative

(SEAL)

Attest: COUNTY OF BURLINGTON, NEW JERSEY  
 By: \_\_\_\_\_ Clerk of the Board of Chosen Freeholders  
 By: \_\_\_\_\_ Authorized County Representative

Signature Page to Equipment Lease

IN WITNESS WHEREOF, the Commission has caused this instrument to be signed by its Authorized Commission Representative and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its Authorized County Representative and its official seal to be hereunto affixed, all as of the day and year first above written.

Attest: BURLINGTON COUNTY BRIDGE COMMISSION  
 By: \_\_\_\_\_ Secretary  
 By: \_\_\_\_\_ Authorized Commission Representative

(SEAL)

Attest: COUNTY OF BURLINGTON, NEW JERSEY  
 By: [Signature] Clerk of the Board of Chosen Freeholders  
 By: [Signature] Authorized County Representative

Signature Page to Equipment Lease

Lease Payment Date	Basic Rent Principal Amount	Coupon	Basic Rent Interest Amount	Basic Rent Total Amount	2017 C-2 Debt Service Funds on Deposit	Net Interest Amount	Basic Rent Total Annual Amount
12/12/2018	4,328,000.00	2.800%	107,899.44	4,435,899.44	(10,000.14)	97,299.30	4,425,299.30

EXHIBIT "A"  
 BURLINGTON COUNTY BRIDGE COMMISSION  
 \$8,000,000 LEASE REVENUE NOTES  
 (GOVERNMENTAL LEASING PROGRAM, SERIES 2017C-2)  
 PARTICIPANT BASIC LEASE RENTAL PAYMENT SCHEDULE  
 COUNTY OF BURLINGTON  
 EQUIPMENT LEASE (2017 LEASE ORDINANCE)

BURLINGTON COUNTY BRIDGE COMMISSION	
\$8,000,000 LEASE REVENUE NOTES	
(GOVERNMENTAL LEASING PROGRAM), SERIES 2017C-2	
Exhibit B - Equipment Lease (2017 Lease Ordinance)	
Participant:	County of Burlington
Equipment	2017C-2 Acquisition Cost
2017-2 Lease Notes - Project Fund:	
Capital Equipment	\$ 4,300,000.00
Radio Systems/Tower Lighting/Misc.	28,000.00
Sub-Total:	\$ 4,328,000.00
Total Equipment Project Fund:	\$ 4,328,000.00

EXHIBIT C

ACCEPTANCE CERTIFICATE  
Requisition Ref. No. 2017- \_\_\_\_\_

COUNTY OF BURLINGTON, NEW JERSEY

I, the undersigned Authorized County Representative, DO HEREBY CERTIFY pursuant to and in accordance with the terms of the Equipment Lease and Agreement between the Burlington County Bridge Commission (the "Commission") and the County of Burlington, New Jersey (the "County"), dated \_\_\_\_\_, 2017 (the "Agreement"), as follows (capitalized terms shall have the meaning set forth in the Agreement):

By: \_\_\_\_\_  
Authorized County Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

1. The County, on behalf of the Commission, has acquired the Item of Equipment described in Exhibit B or Exhibit G, as applicable, to the Agreement, the general description of which is:

Dated: \_\_\_\_\_

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Acceptance Certificate.

BURLINGTON COUNTY BRIDGE  
COMMISSION

2. Attached hereto is all necessary legal documentation evidencing title to the Item of Equipment in the name of the Commission in accordance with the provisions of Section 2.3(e) of the Agreement.

By: \_\_\_\_\_  
Authorized Commission Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

3. Such Item of Equipment meets the County's specifications therefor, has been procured and delivered in compliance with the Local Public Contracts Law and all applicable laws of the State to the County's satisfaction (or is in compliance with the manufacturer's contract), and is in good repair and working order. This Certificate constitutes the Acceptance Certificate for such Item of Equipment.

Dated: \_\_\_\_\_

4. The amount of purchase price for the Item of Equipment is \$ \_\_\_\_\_. Attached hereto is a Requisition for payment of such Item of Equipment in accordance with the provisions of Section 2.3(c) of the Agreement (Exhibit E to be completed and attached). Such amount is authorized by the Agreement to be withdrawn from the Equipment Project Account of the Project Fund and such amount is the correct amount as specified in the manufacturer's contract.

5. As required by Section 5.3 of the Agreement, attached hereto is either (A) evidence of insurance for the Item of Equipment or (B) the County's blanket insurance policy which applies to the Item of Equipment. The insurance policy is written or endorsed to make losses, if any, payable to the County, the Commission and the Trustee as their respective interests may appear.

6. The undersigned is an Authorized County Representative.

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EXHIBIT D

REQUISITION FOR ADVANCE/PARTIAL/PROGRESS PAYMENTS  
Requisition Ref. No. 2017- \_\_\_\_\_

Partial Payment No. \_\_\_\_\_

I, the undersigned Authorized County Representative, DO HEREBY CERTIFY pursuant to and in accordance with the terms of the Equipment Lease and Agreement between the Burlington County Bridge Commission (the "Commission") and the County of Burlington, New Jersey (the "County"), dated \_\_\_\_\_, 2017 (the "Agreement"), as follows (capitalized terms shall have the meaning set forth in the Agreement):

1. The County, on behalf of the Commission, has executed a contract with a vendor to acquire the Item of Equipment described in Exhibit B or Exhibit G, as applicable, to the Agreement, the description of which and to which this partial Requisition relates is as follows: (include the description and invoice or billing reference):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Attached hereto is all necessary documentation to evidence the necessity of making progress payments for such Item of Equipment pursuant to Section 2.5(g) of the Agreement.

3. Attached hereto is a copy of the contractor's performance bond, letter of credit or other form of financial guaranty with respect to such Item of Equipment in an amount equal to 100% of the contract price as required by Section 5.7 of the Agreement.

4. Such Item of Equipment meets the County's specifications therefor, has been procured in compliance with the Local Public Contracts Law and all applicable laws of the State.

5. In the event the requisition being submitted by the County is to request and authorize final payment for the Item of Equipment described in Paragraph 1 hereof, please attach a completed Acceptance Certificate (Exhibit C) evidencing acceptance of the same by the County.

6. The purchase price for the Item of Equipment is \$ \_\_\_\_\_. Such amount is authorized by the Agreement to be withdrawn from the Equipment Project Account of the Project Fund and such amount is the correct amount as specified in the manufacturer's contract.

7. The name and address of the Person, firm or corporation to whom payment is due is:

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8. \$ \_\_\_\_\_ is the amount necessary to partially pay the Cost of such Item of Equipment and is the amount to be paid to such Person, corporation or firm. The amount which has been partially prepaid to date for the Item of Equipment is \$ \_\_\_\_\_ and the amount remaining to be paid is \$ \_\_\_\_\_.

9. \$ \_\_\_\_\_ is the amount stated as being required to pay the Cost of such Item of Equipment as originally specified in Exhibit B or Exhibit F, as applicable, to the Agreement.

10. Based upon the attached approval of the County, \$ \_\_\_\_\_ is the amount of money the County has agreed to pay and has forwarded said amount by check to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to fund the balance of the Cost of the Equipment (Attach copy of check for Trustee and copy of the check for the Commission).

11. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON, NEW  
JERSEY

By: \_\_\_\_\_  
Authorized County Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_  
Authorized Commission Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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EXHIBIT E

REQUISITION FOR PAYMENTS FROM EQUIPMENT PROJECT ACCOUNT OF PROJECT FUND  
(Requisition Ref. No. 2017-\_\_\_\_\_)

(To be Used in Conjunction with Exhibit C)

I, the undersigned Authorized County Representative DO HEREBY CERTIFY pursuant to and in accordance with the terms of a resolution of the Burlington County Bridge Commission (the "Commission") "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of General Obligation Lease Revenue Bonds (Governmental Leasing Program), Series 2017", duly adopted August \_\_, 2017 (the "Resolution") as follows (capitalized terms shall have the meaning set forth in the Equipment Lease and Agreement between the Commission and the County of Burlington, New Jersey (the "County"), dated \_\_\_\_\_, 2017 (the "Agreement")):

1. This requisition is Requisition Ref. No. 2017-\_\_\_\_\_.
2. The name and address of the Person, firm or corporation to whom payment is due is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. The amount to be paid to such Person, firm or corporation named in Paragraph 2 above is \$ \_\_\_\_\_.

4. The Item(s) of Equipment to which this Requisition relates is  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Include description and invoice or billing reference.

5. \$ \_\_\_\_\_ is the amount necessary to pay the Cost of such Item of Equipment.

6. \$ \_\_\_\_\_ is the amount stated as being required to pay the Cost of such Item of Equipment as originally specified in Exhibit B or Exhibit G, as applicable, to the Agreement.

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7. Based upon the attached approval of the County, \$ \_\_\_\_\_ is the amount of money the County has agreed to pay and has forwarded said amount by check to the Trustee on behalf of the Commission for deposit in the Equipment Project Account of the Project Fund to fund the balance of the Cost of the Equipment (Attach copy of check for Trustee and copy of the check for the Commission).

8. The useful life of the Item(s) of Equipment as set forth on Exhibit B of the Agreement is:

Equipment	Useful Life
_____	_____
_____	_____

9. Each obligation, item of cost or expense mentioned herein has been properly incurred, is an item of Cost and is a proper charge against the Equipment Project Account of the Project Fund and has not been the basis of any previous withdrawal.

10. The undersigned is an Authorized County Representative.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Authorized County Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Requisition.

BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_  
Authorized Commission  
Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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EXHIBIT F

CERTIFICATE AS TO AUTHORIZED  
COUNTY REPRESENTATIVE

I, \_\_\_\_\_, the duly elected and acting Director of the Board of Chosen Freeholders of the COUNTY OF BURLINGTON, NEW JERSEY (the "County"), a municipal corporation of the State of New Jersey, DO HEREBY CERTIFY that I am duly authorized under the Agreement (as hereinafter defined) to execute and deliver this Certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY as follows:

1. Edward J. Troy is the Treasurer of the County.
2. Marc Krassan is the Chief Financial Officer of the County.
3. Paul Drayton, Jr. is the Administrator/Board Clerk of the County.

4. The following individual(s) have each been designated as Authorized County Representatives in accordance with the provisions of the Agreement and each are duly qualified, empowered and authorized so to act on behalf of the County and to deliver documents on behalf of the County.

Name	Signature
Edward J. Troy	_____
Marc Krassan	_____
Paul Drayton, Jr.	_____

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in an Equipment Lease and Agreement dated November \_\_, 2017 by and between the Burlington County Bridge Commission and the County (the "Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 2017.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Name:  
Title: Freeholder Director

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EXHIBIT G

CERTIFICATE FOR SUBSTITUTION OF EQUIPMENT

The undersigned Authorized County Representative of the COUNTY OF BURLINGTON, NEW JERSEY hereby requests the substitution of certain Items of Equipment contained in the Equipment Lease and Agreement executed by and between the County of Burlington, New Jersey (the "County") and the Burlington County Bridge Commission (the "Commission") and dated \_\_\_\_\_, 2017 (the "Agreement") and that upon the filing of this Certificate with the County, the Commission and the Trustee, Exhibit B to the Agreement shall be modified to reflect the changes in Items of Equipment being purchased by the County as set forth below:

1. The Equipment originally listed in Exhibit B to the Agreement is: (identify each piece of equipment and its cost as described in Exhibit B);

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. The Equipment which is to be substituted and which is to be reflected in Exhibit B to the Agreement is: (identify each item of equipment and the cost of the equipment to be substituted) (make sure that each piece of equipment being substituted corresponds to the equipment originally listed on Exhibit B on a piece by piece basis).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the County this day of \_\_\_\_\_, 20\_\_.

COUNTY OF BURLINGTON, NEW JERSEY

By: \_\_\_\_\_  
Authorized County Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

The undersigned, an Authorized Commission Representative, on behalf of the Burlington County Bridge Commission, hereby approves the above Certificate for Substitution of Equipment.

BURLINGTON COUNTY  
BRIDGE COMMISSION

By: \_\_\_\_\_  
Authorized Commission Representative  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approval Dated: \_\_\_\_\_

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EXHIBIT H

FORM OF OPINION OF GENERAL COUNSEL OR  
BOND COUNSEL TO THE COUNTY

Burlington County Bridge Commission  
Palmyra, New Jersey

County of Burlington, New Jersey  
Mount Holly, New Jersey

Capehart & Scatchard, P.A.  
Mount Laurel, New Jersey

[Underwriter]  
[Address]

Re: The Burlington County Bridge Commission  
\$ \_\_\_\_\_ Lease Revenue Bonds (Governmental Leasing Project), Series 2017

Ladies and Gentlemen:

We have acted as counsel to the County of Burlington, New Jersey (the "County"), a body duly formed and organized under the laws of the State of New Jersey (the "State"), in connection with, among other things, the authorization, execution and delivery by the County of the Equipment Lease and Agreement, dated \_\_\_\_\_, 2017 (the "Lease"), between the Burlington County Bridge Commission (the "Commission") and the County and the adoption on 2017-00202 of an ordinance authorizing the execution and delivery of the Lease (the "Ordinance"). All capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Lease.

As counsel to the County and based upon our review of the aforementioned documents and such other certificates, documents, proceedings and questions of law as we have considered necessary to enable us to render this opinion, we are of the following opinion:

- (a) the County is a body politic and corporate of the State duly organized and existing under the laws of the State;
- (b) the County has full legal right and power and is authorized to enter into and to perform its obligations under the Lease and to finally adopt the Ordinance;
- (c) the County has duly authorized all necessary action to be taken by it for the execution, delivery and performance of the Lease and the final adoption of the Ordinance;

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(d) the execution, delivery and performance by the County of the terms of the Lease and the adoption and performance of the Ordinance does not and will not contravene any provision of existing law or regulation and will not conflict with, or result in the breach of the terms, conditions or provisions of any agreement of the County, or constitute a default under or result in or permit the creation or imposition of any lien, charge or encumbrance upon any of the properties of the County pursuant to any indenture, mortgage or other agreement or instrument to which the County is a party or by which its assets are bound other than the liens created by the Lease;

(e) the Lease has been duly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by the Commission, is a legal, valid and binding obligation of the County enforceable against the County in accordance with its terms;

(f) all consents, approvals or authorizations of any governmental authority required on the part of the County in connection with the execution, delivery and performance of the terms of the Lease and the adoption of the Ordinance have been duly obtained, and the County has complied with all applicable provisions of law requiring any designation, declaration, filing, registration and/or qualification with any governmental authority in connection with such execution, delivery and performance;

(g) the County is in compliance with all provisions of all constitutions, statutes, rules regulation and orders of all governmental and nongovernmental bodies, all governmental approvals and all orders, judgments and decrees of all courts and arbitrators with respect to the performance of its obligations under the Lease and the Ordinance;

(h) To our knowledge, there is no controversy or litigation of any nature now pending or threatened against the County restraining or enjoining the authorization, execution or delivery by the County of the Lease, or in any way contesting or affecting the validity of the Lease, or any proceedings of the County taken with respect to the authorization, execution or delivery thereof, or the existence or powers of the County related to the authorization, execution and delivery of the Lease. To our knowledge, there is no litigation pending or threatened, in any court wherein an adverse decision would have a material adverse impact on the financial position of the County or its ability to pay, or to provide for payment under, the Lease; and

(i) all action taken by the County in connection with the authorization, execution and delivery of the Lease and in connection with the authorization and adoption of the Ordinance have been in compliance in all respects with the provisions of the State Constitution and applicable laws, including, *inter alia*, Chapter 231 of the laws of the State of 1975, as amended, the New Jersey Open Public Meetings Law.

The opinions expressed above are qualified to the extent that we express no opinion as to the effect of, or restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws, judicial decisions and principles of equity affecting creditors' rights generally and judicial discretion, and the valid exercise of the

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sovereign police powers of the State of New Jersey and of the United States of America, and we express no opinion as to the availability of any particular remedy.

This opinion is furnished to you by us solely for your benefit and may not be used or quoted, in whole or in part, to others nor relied upon by others, without our express prior written consent.

Very truly yours,



**APPENDIX G**  
**FORM OF LEGAL OPINION OF BOND COUNSEL**

November \_\_, 2021

Burlington County Bridge Commission  
1300 Route 73 N  
Palmyra, New Jersey 08065

Re: Burlington County Bridge Commission  
\$ \_\_\_\_\_ Lease Revenue Notes  
(Governmental Leasing Program), Series 2021C

Dear Commissioners:

We have acted as Bond Counsel in connection with the issuance by the Burlington County Bridge Commission (the "Commission") of its Lease Revenue Notes (Governmental Leasing Program), Series 2021C in the aggregate principal amount of \$ \_\_\_\_\_ (the "Series 2021 C Notes"), consisting of \$ \_\_\_\_\_ Lease Revenue Notes (2017-1 Governmental Leasing Program), Series 2021 C-1 (the "2021 C-1 Notes") and \$ \_\_\_\_\_ Lease Revenue Notes (2017-2 Governmental Leasing Program), Series 2021 C-2 (the "2021 C-2 Notes" ). The Series 2021 C-1 Notes are issued pursuant to the provisions of the Self Liquidating Bridges Act, Chapter 17 of the Pamphlet Laws of 1934 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the "Act"), and a Resolution 2017-84 of the Commission duly adopted on September 18, 2017 entitled "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of Lease Revenue Bonds Or Notes (2015 Governmental Leasing Program), Series 2017," (the "2017-1 Bond Resolution"). The 2021C-2 Notes are issued in accordance with the Act and a Resolution 2017-85 of the Commission duly adopted on September 18, 2017 entitled "Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of Lease Revenue Bonds Or Notes (2017 Governmental Leasing Program), Series 2017," (the "2017-2 Bond Resolution" and together with the 2017-1 Bond Resolution, the "Bond Resolutions").

In accordance with the terms of each of the Bond Resolutions, the Series 2021C Notes have been awarded and sold to the purchaser thereof and certain determinations with respect to the Series 2021C Notes have been made pursuant to certificates duly executed by an Authorized Commission Officer on November \_\_, 2021 (the "2021 C Note Series Certificates"), the execution of which were authorized pursuant to the Bond Resolutions. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Bond Resolutions.

The Series 2021C Notes are dated November \_\_, 2021, mature on November \_\_, 2020, bear interest at a rate of \_\_\_\_% per annum payable at maturity, and are not subject to redemption prior to maturity. Principal of and interest on the Series 2021 C Notes are payable by presentation and surrender thereof at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey (the "Trustee").

The Series 2021C Notes will be initially issued in book-entry form only, in the form of one certificate for the aggregate principal amount of the Series 2021C Notes, registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), an automated depository for securities and clearinghouse for securities transactions. Purchases of the Series 2021C Notes will be made in book-entry-only form (without certificates) in denominations of \$5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Series 2019 C Notes, payment of the principal of and interest on the Series 2021C Notes will be made by the Trustee directly to Cede & Co., as nominee for DTC, in immediately available funds when due. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2021C Notes is the responsibility of the DTC participants and not the responsibility of the Commission or the Trustee.

The 2021C-1 Notes are being issued for the purpose of: (i) refunding the balance in the amount of \$11,665,000 of the 2020C-1 Refunded Notes at maturity; and (ii) paying costs and expenses associated with the issuance of the 2021C-1 Notes (collectively, the “2020C-1 Note Project,”).

The 2021C-2 Notes are being issued for the purpose of: refunding the balance in the amount of \$45,340,000 portion of the 2020C-2 Notes, at maturity; and (ii) paying costs and expenses associated with the issuance of the 2021C-2 Notes (collectively, the “2021C-2 Note Project”).

On or before November \_\_, 2021, the Commission will enter into (i) a Fifth Amendment to the Improvement Lease and Agreement, dated December 13, 2017, with the County, (collectively, the “2021C-1 Improvement Lease”), with respect to certain capital improvements (collectively, the “2021C-1 Improvements”) and (ii) a Fifth Amendment to the Equipment Lease and Agreement, dated December 13, 2017, with the County (the “2021C-1 Equipment Lease”; and together with the 2021C-1 Improvement Lease, the “2021C-1 Leases”), with respect to certain items of capital equipment (collectively, the “2021C-1 Equipment”) as security for payment of the 2021C-1 Notes. On or before the date of issuance of the 2021C-2 Notes, the Commission will enter into (i) a Fifth Amendment to the Improvement Lease and Agreement, dated December 13, 2017, with the County (the “2021C-2 Improvement Lease”), with respect to certain capital improvements (collectively, the “2021C-2 Improvements”, and together with the 2021C-1 Improvements, the “Improvements”), and (ii) a Fifth Amendment to the Equipment Lease and Agreement, dated December 13, 2017, with the County (the “2021C-2 Equipment Lease” and together with the 2021C-2 Improvement Lease, the “2021C-2 Leases”; the 2021C-2 Leases together with the 2021C-1 Leases are collectively known as the “Leases”), with respect to certain items of capital equipment (collectively, the “20120 C-2 Equipment” and together with the 2021C-1 Equipment, the “Equipment”) as security for payment of the 2021C-2 Notes.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Series 2021C Notes, including among other things: (a) evidence of the formation and organization of the Commission; (b) certified copies of the Bond Resolutions, the 2120 C Note Series Certificates, the Leases; (c) the Act, the Local Authorities Fiscal Control Law, *N.J.S.A. 40A:5A- 1 et. seq.* and the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”); (d) a certified copy of the results and findings of the New Jersey Local Finance Board; and (e) certificates of Commission officials, County officials and the Trustee as to material factual matters, including a certificate of the Commission pursuant to the federal income tax laws and regulations applicable to the Series 2021C

Notes. We have also examined the authenticated Series 2021C Notes. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Commission has been duly created and is validly existing as a public body corporate and politic under the provisions of the Constitution and statutes of the State of New Jersey, including the Act, with power to adopt the Bond Resolutions and to issue the Series 2021C Notes.

2. Each of the 2017-1 Bond Resolution and the 2017-2 Bond Resolution has been duly and lawfully adopted by the Commission, is in full force and effect, is valid and binding upon the Commission and is enforceable in accordance with its terms, and no other authorization for the Bond Resolutions is required. The 2021C Series Certificates have been duly and validly executed by an Authorized Commission Representative.

3. The Series 2021C Notes have been duly authorized and issued by the Commission in accordance with the Act and the respective provisions of each of the Bond Resolutions and the 2021C Note Series Certificates, are valid and binding special obligations of the Commission enforceable in accordance with their terms and the terms of the respective Bond Resolution and are entitled to the benefits of the respective Bond Resolution and the Act.

4. Each of the Bond Resolution creates a valid pledge of the respective Pledged Property held or set aside under the respective Bond Resolution, subject only to the application thereof by the Commission for the purposes and on the terms and conditions set forth in the respective Bond Resolution.

5. The Commission and the County have the power and authority to enter into the Leases. The Leases have been duly authorized, executed and delivered by the Commission and the County, and create valid and binding obligations of the Commission and the County, respectively, and such obligations are enforceable in accordance with their respective terms. The County is obligated to make any required payments under the terms of the Leases out of the first funds becoming legally available to the County for this purpose, and to provide the funds for such payments, if not otherwise available, from the levy of *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County without limitation as to rate or amount.

6. Assuming continuing compliance by the Commission and the County with the provisions of the Code pertaining to the issuance of the Series 2021C Notes, interest on the Series 2021C Notes is excludable from gross income of the owners thereof for federal income tax purposes under current law, and will not be a specific preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax.

7. Interest on the Series 2021C Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally.

Other than as set forth in Paragraphs 6 and 7 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Series 2019 C Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Series 2019 C Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

**APPENDIX H**  
**FORM OF COMMISSION CONTINUING DISCLOSURE AGREEMENT**

## **CONTINUING DISCLOSURE AGREEMENT**

**THIS CONTINUING DISCLOSURE AGREEMENT** dated November \_\_, 2021 (the “Disclosure Agreement”) is executed by and among the County of Burlington, New Jersey (the “County”), the Burlington County Bridge Commission (the “Commission” or the “Issuer”) and TD Bank, National Association, Cherry Hill, New Jersey, as Dissemination Agent (the “Dissemination Agent”) in connection with the issuance of: \$ \_\_\_\_\_ Lease Revenue Notes (Governmental Leasing Program), Series 2021C, Consisting of \$ \_\_\_\_\_ Lease Revenue Notes (Governmental Leasing Program), Series 2021C-1 (the “2021C-1 Notes”) and \$ \_\_\_\_\_ Lease Revenue Notes (Governmental Leasing Program), Series 2021C-2 (the 2021C-2 Notes, and together with the 2021C-2 Notes, the “2021C Notes” by the Commission.

### **WITNESSETH:**

**WHEREAS**, pursuant to a Purchase Contract dated \_\_\_\_\_, 2021 (the “Purchase Contract”), by and between the Commission and PNC Capital Markets LLC, as underwriter (the “Underwriter”), the Commission is selling the 2021 C Notes to the Underwriter; and

**WHEREAS**, the 2021 C-1 Notes are issued pursuant to the provisions of the Self Liquidating Bridges Act, Chapter 17 of the Pamphlet Laws of 1934 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the “Act”), and a Resolution 2017-84 of the Commission duly adopted on September 18, 2017 entitled “Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of Lease Revenue Bonds Or Notes (2015 Governmental Leasing Program), Series 2017,” as supplemented and amended (the “2017-1 Bond Resolution”), as further supplemented and amended by certificates of the Executive Director of the Commission, dated November \_\_, 2021 regarding the 2021 C-1 Notes (the “2021 C-1 Series Certificate”); and

**WHEREAS**, the 2021 C-2 Notes are issued in accordance with the Act and a Resolution 2017-85 of the Commission duly adopted on September 18, 2017 entitled “Resolution Of The Burlington County Bridge Commission Authorizing The Issuance Of Lease Revenue Bonds Or Notes (2017 Governmental Leasing Program), Series 2017,” (the “2017-2 Bond Resolution”), as further supplemented and amended by certificates of the Executive Director of the Commission, dated November \_\_ 2021 regarding each of the 2021 C-2 Notes (the “2021 C-2 Series Certificate” and together with the 2021 C-1 Series Certificates, the “2021 Series C Award Certificates”); the execution of which were authorized pursuant to the respective bond resolutions; and

**WHEREAS**, the proceeds of the the 2021 C-1 Notes will be used to (i) refinance the outstanding principal amount of the Commission’s \$11,665,000 Lease Revenue Notes (Governmental Leasing Program), Series 2020C-1 (the “2020C-1 Refunded Notes”) of the Commission maturing on November 12, 2021, and (ii) paying costs and expenses associated with the issuance of the Series 2021 C-1 Notes (collectively, the “2021 C-1 Project”).

**WHEREAS**, to secure the financing of the 2021 C-1 Notes, the Commission and the County executed (i) a Fifth Amendment (the “2021 C-1 Improvement Fifth Amendment”) to an

Improvement Lease and Agreement, originally dated December 17, 2017 with the County, as previously amended and supplemented (together the Original 2017-1 Improvement Lease, and (ii) a Fifth Amendment (the “2021 C-1 Equipment Fifth Amendment”) to an Equipment Lease and Agreement, originally dated December 17, 2017 with the County, as previously amended and supplemented (together the Original 2017-1 Equipment Lease, (the “2021 C-1 Equipment Lease” and together with the 2021 C-1 Improvement Lease, the “2021C-1 Leases”), with respect to the Equipment (the “2017-1 Equipment”)

**WHEREAS**, the proceeds of the 2021 C-2 Notes will be used to (i) refinance the outstanding principal amount of the Commission’s \$43,340,000 Lease Revenue Notes (Governmental Leasing Program), Series 2020C-2 (the “2020C-2 Refunded Notes”) of the Commission maturing on November 12, 2021 and (iii) paying costs and expenses associated with the issuance of the Series 2021C-2 Notes (collectively, the “2021 C-2 Project”).

**WHEREAS**, to secure the financing of the 2021 C-2 Notes, the Commission and the County executed (i) a Fifth Amendment (the “2021 C-2 Improvement Fifth Amendment”) to an Improvement Lease and Agreement, originally dated December 17, 2017 with the County, as previously amended and supplemented (together the Original 2017-1 Improvement Lease), and (ii) a Fifth Amendment (the “2021 C-2 Equipment Fifth Amendment”) to an Equipment Lease and Agreement, originally dated December 17, 2017 with the County, as previously amended and supplemented (together the Original 2017-1 Equipment Lease and together with “2021 C-2 Equipment Lease” and together with the 2021 C-2 Improvement Lease, the “2021C-2 Leases”) with respect to the Equipment (the “2017-2 Equipment” and together with the 2017-2 Improvements, the “2021 C-2 Capital”); and

**WHEREAS**, the obligation of the County to make rental payments under each of the 2021 C Leases is a direct and general obligation, payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County, without limitation as to rate or amount; and

**WHEREAS**, Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”), provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person for whom financial or operating data is presented in the final official statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain material events; and

**WHEREAS**, the 2021 C Notes are each direct and special obligations of the Commission payable from and secured by the Pledged Property (as defined in the respective Resolutions); and



**WHEREAS**, in order to induce the Underwriter to purchase the 2021 C Notes, the County and the Commission will undertake to provide the notice of certain material events required by the Rule.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Commission, the County and the Dissemination Agent, each binding itself, its successors and assigns, agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the County, the Commission and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the 2021 C Notes to assist the Underwriter in complying with the Rule. The County and the Commission acknowledge that each is an “Obligated Person” under the Rule (as defined in the Rule) and that the Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement except as set forth herein, and has no liability to any person, including any Beneficial Owner of the 2021 C Notes, with respect to any such reports, notices or disclosures or the Rule except as set forth herein.

**SECTION 2. Definitions.** Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Obligations (including persons holding Obligations through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Obligations for Federal income tax purposes.

“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 Commission or the Dissemination Agent is legally authorized to close.

“Commission Disclosure Representative” shall mean the Executive Director or Deputy Executive Director of the Commission or their designee, or such other person as the Commission shall designate in writing to the Dissemination Agent from time to time for the purposes of this Disclosure Agreement.

“County Disclosure Representative” shall mean the Treasurer or the Chief Financial Officer of the County or their designee, or such other person as the County shall designate in writing to the Commission from time to time for the purposes of this Disclosure Agreement.

“Dissemination Agent” shall mean TD Bank, National Association, Cherry Hill, New Jersey, or any successor Dissemination Agent designated in writing by the Commission and which has filed with the Commission a written acceptance of such designation and a copy of which has been provided to the County.

“EMMA” shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the Repository in accordance with Release No. 34-59062

of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers, including the Issuer, of tax-exempt and taxable securities, including the 2021 C Notes, 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.

"Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); *provided, however*, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"Opinion of Counsel" shall mean a written opinion of counsel, deemed acceptable by the Commission, with expertise in federal securities law.

"Repository" shall mean the Municipal Securities Rulemaking Board, 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.

"Rule" shall mean Rule 15c(2)-12 promulgated and adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

"Trustee" shall mean the trustee appointed by the Commission under the 2017-1 Resolution or 2017-2 Resolution, respectively, currently TD Bank, National Association.

"Underwriter" shall mean the original underwriter of the 2021 C Notes required to comply with the Rule in connection with the offering of the 2021 C Notes.

Capital terms used but not defined herein shall have the meaning set forth in the 2017-1 Resolution or the 2017-2 Resolution as the context may require.

### **SECTION 3. Reporting of Significant Events.**

(a) This Section 3 shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the 2021 C Notes, as applicable:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2021 C Notes or other material events affecting the tax status of the 2021 C Notes;
7. modifications to rights of holders of a 2021C Note, if material;
8. Bond or note calls (excluding mandatory sinking fund redemption), if material; or tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the 2021 C Notes;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the 2021 C Notes, if material; and
16. default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the County, any of which reflect financial difficulties.

(b) The Commission shall within ten (10) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Commission may, but shall not be required to, rely conclusively on an opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Commission's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(c) If the Dissemination Agent has been instructed by the Commission to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Commission, the County and the Trustee (if the Dissemination Agent is not the Trustee).

(d) The obligations of the Commission or the Dissemination Agent under this Disclosure Agreement to provide notice are in addition to, and not in substitution of, any obligations of the Trustee to provide notices of events of default to registered owners under the terms of the 2017-1 Resolution or the 2017-2 Resolution, as applicable. Nothing in this Disclosure Agreement, however, is intended to modify or limit the rights of the Trustee under the 2017-1 Resolution or the 2017-2 Resolution, as applicable to provide notices or other information as it deems necessary in the performance of its duties thereunder.

**SECTION 4. Termination of Reporting Obligation.** The Commission's and the County's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2021 C Notes or when the Commission and the County is no longer an "Obligated Person" in accordance with the Rule (as defined in the Rule) which determination shall be made by the Commission and the County. The Commission and the County, as applicable, shall file a notice of the termination of their reporting obligations pursuant to the provisions hereof with the Commission and the County, as applicable, and the Commission shall provide such notice to the Dissemination Agent, which notice shall be filed with the Repository.

**SECTION 5. Prior Compliance With the Rule.** Except as described in the Official Statement the Commission and the County each represents and warrants that it has not failed to comply with previous undertakings to provide secondary market disclosure pursuant to the Rule.

**SECTION 6. Dissemination Agent; Compensation.** The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be TD Bank, National Association, Cherry Hill, New Jersey. The Commission and the County agree that any corporation or association into which the Dissemination Agent may be merged or to which it may sell or transfer its corporate trust business and assets, shall be and become successor Dissemination Agent hereunder without any further act, deed or conveyance. The Commission

shall compensate the Dissemination Agent for the performance of its obligations hereunder in accordance with an agreed upon fee structure. The Dissemination Agent may resign its position hereunder upon sixty (60) days' prior written notice to the Trustee, the Commission and the County, which notice shall be provided in accordance with Section 14 hereof.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the County, the Dissemination Agent and the Commission may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an Opinion of Counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings set forth herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) does not materially impair the interests of holders of the of the 2021 C Notes, as determined either by parties unaffiliated with the Commission, or any "Obligated Person" (such determination being supported by an Opinion of Counsel). The Commission shall give notice of such amendment or waiver to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the County shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 8. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Commission or 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 Commission or the County, as applicable, 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, the Commission or the County, as applicable, shall have no 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. Default.** In the event of a failure of the Commission and/or the County, as applicable, to comply with any provision of this Disclosure Agreement the Dissemination Agent

may, upon receipt of Notice in the form attached hereto as Exhibit “A” or upon notification of the same by the Commission (and, at the request of the Holders of at least a majority of aggregate principal amount of Outstanding Obligations, shall), or any Beneficial Owner of the 2021 C Notes, as the case may be, may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County or the Commission, as the case may be, to comply with its respective obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the County or the Commission, as applicable, to comply with this Disclosure Agreement shall be an action to compel specific performance.

**SECTION 10. Duties, Immunities and Liabilities of the Dissemination Agent and the Commission.** The Dissemination Agent and the Commission shall have only such duties as are specifically set forth in this Disclosure Agreement, and, to the extent permitted by State law, the County agrees to indemnify (in accordance with the provisions of Article X of the respective 2017-1 Resolution or the 2017-2 Resolution, as applicable relating to liabilities of the Trustee) and hold the Dissemination Agent and the Commission and their respective members, officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including reasonable attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct or the Commission’s negligence or willful misconduct. The County further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Agreement (which release shall not be applicable to those specific duties and liabilities of the Dissemination Agent pursuant to the terms of this Disclosure Agreement). The obligations of the County under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the 2021 C Notes.

**SECTION 11. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Commission, the County, the Trustee (if other than the Dissemination Agent), the Dissemination Agent, the Underwriter, and the Beneficial Owners of the 2021 C Notes (with the exception of Section 3 hereof as to the Holders of the 2021 C Notes), and shall create no rights in any other person or entity.

**SECTION 12. Notices.** All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

- (a) To the Commission: Burlington County Bridge Commission  
1300 State Highway, Route 73  
Palmyra, New Jersey 08065  
Attention: Executive Director
  
- (b) To the Dissemination Agent: TD Bank, National Association  
2059 Springdale Road,  
Cherry Hill, New Jersey 08003

Attention: Corporate Trust Department

(c) If to the County: County of Burlington, New Jersey  
49 Rancocas Road  
Mount Holly, New Jersey 08060  
Attention: County Treasurer

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

**SECTION 13. Counterparts.** This Disclosure Agreement may be executed in any number of counterparts which shall be executed by an Authorized Commission Representative, an Authorized County Representative, and by an authorized signatory of the Dissemination Agent, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

**SECTION 14. Severability.** If any one or more of the covenants or agreements in this Disclosure Agreement to be performed on the part of the Commission, the County or the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Agreement.

**SECTION 15. Governing Law.** This Disclosure Agreement shall be construed in accordance with and governed by the Laws of the United States of America and the State.

IN WITNESS WHEREOF, the undersigned have caused this Continuing Disclosure Agreement to be executed by their duly authorized signatures as of the date first above written.

BURLINGTON COUNTY BRIDGE COMMISSION

BY: \_\_\_\_\_  
Executive Director

COUNTY OF BURLINGTON, NEW JERSEY

BY: \_\_\_\_\_  
County Treasurer

TD BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

BY: \_\_\_\_\_  
Authorized Officer

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]



**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Burlington County Bridge Commission

Name of Bond Issue: \$ \_\_\_\_\_ Lease Revenue Notes (Governmental Leasing Program), Series 2021C, Consisting of \$ \_\_\_\_\_ Lease Revenue Notes (Governmental Leasing Program), Series 2021C-1 and \$ \_\_\_\_\_ Lease Revenue Notes (Governmental Leasing Program), Series 2021C-2 (together, the "2021 C Notes")

Name of Obligated Person: Burlington County, New Jersey

Date of Issuance: November \_\_, 2021

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, the above designated Obligated Person, has not provided an Annual Report with respect to the above-named obligations as required by a Continuing Disclosure Agreement dated November \_\_, 2021 among the Issuer, the County and the Dissemination Agent.

DATED: \_\_\_\_\_

\_\_\_\_\_  
TD Bank, National Association, as  
Dissemination Agent (on behalf of the  
County and the Issuer)

cc: the Issuer  
the County  
the Trustee